

and clear of any Lien (other than any Permitted Lien), and the Transferor shall have made all filings and shall have taken all other action under applicable law in each relevant jurisdiction in order to protect and perfect the Transferor's ownership or security interest in the Receivables, the Related Security with respect thereto and Collections in which a security interest may be perfected by filing UCC financing statements or by the taking of any other action necessary to protect or perfect the interests of the Administrative Agent and the Purchasers under or as contemplated by this Agreement which the Administrative Agent has reasonably requested the Transferor to take.

(ii) The purchase price paid by the Transferor to the Sellers constitutes reasonably equivalent value for the Receivables conveyed in consideration therefor on such date, and no transfer of any Receivable by a Seller to the Transferor is or may be voidable under any section of the United States Bankruptcy Code or applicable state bankruptcy or insolvency laws or subject to subordination under similar laws or principles or for any other reason.

(p) Payment Instructions to Obligors, Sub-Agents and Sellers; Depositary Accounts; AEP Services Account; Lock-Boxes; Concentration Account. The Transferor has caused each Seller (x) to instruct all of its Obligors to remit all Collections directly to a Sub-Agent, a Lock-Box, the AEP Utilities Account or another Depositary Account to which only amounts owed to such Seller are deposited, and (y) to instruct all of its Sub-Agents to remit all Collections directly to a Depositary Account to which only amounts owed to such Seller are deposited. The names and addresses of all Depositary Account Banks, together with the account numbers of the Depositary Accounts at such Depositary Account Banks, are accurately set forth in Schedule 2-A. The addresses and post office box numbers of all Lock-Boxes are accurately set forth in Schedule 2-B. The account number of the Collection Account is accurately set forth in Schedule 2-A. The name and address of the Concentration Account Bank, together with the account number of the Concentration Account, are accurately set forth in Schedule 2-A. The name and address of the AEP Services Account, together with the account number of the AEP Services Account, are accurately set forth in Schedule 2-A. The Transferor has instructed all Sellers to remit all Collections to the Concentration Account within one Business Day after receipt thereof in a Depositary Account or the AEP Services Account. The Concentration Account is subject to a Concentration Account Agreement. The AEP Services Account is subject to an AEP Services Account Agreement. Each Depositary Account is subject to a Depositary Account Agreement.

(q) Legal Names. Except as otherwise set forth in Schedule 3, the Transferor (i) has not been known by any legal name other than its corporate name as of the date hereof, (ii) has not been the subject of any merger or other corporate reorganization that resulted in a change of name, identity or corporate structure and (iii) has not used any trade names other than its actual corporate name.

(r) Compliance with Applicable Laws. The Transferor is in compliance with the requirements of all applicable laws, rules, regulations and orders of all Governmental Authorities (federal, state, local or foreign), a violation of any of which, individually or in the

aggregate for all such violations, could reasonably be expected to have a Material Adverse Effect with respect to the Transferor.

(s) Business and Indebtedness of Transferor. The Transferor has no Indebtedness other than the Subordinated Note. The Transferor has not engaged in any business other than (w) the purchase of Receivables, the Related Security with respect thereto and Collections under the First-Tier Agreements, (x) the financing of Receivables under previous financing arrangements, all of which have been satisfied and paid in full, (y) the transfer of undivided percentage ownership interests in the Receivables, the Related Security with respect thereto and Collections under this Agreement, and (z) the sale of Charged-Off Receivables in accordance with Section 2.6.

(t) Credit and Collection Procedure. The Credit and Collection Procedures attached as Exhibit C are true and complete copies as of the date hereof.

(u) ERISA. Each Plan is in compliance with all applicable material provisions of ERISA, and the Transferor or the relevant ERISA Affiliate has received a favorable determination letter from the Internal Revenue Service that each Plan intended to be qualified under Section 401(a) of the Code is so qualified. No Plan has incurred an “accumulated funding deficiency” (within the meaning of Section 302 of ERISA or Section 412 of the Code), whether or not waived. Neither the Transferor nor any ERISA Affiliate (i) has incurred or expects to incur any liability under Title IV of ERISA with respect to any Plan that could give rise to a lien in favor of the PBGC other than liability for the payment of premiums, all of which have been timely paid when due in accordance with Section 4007 of ERISA, (ii) has incurred or expects to incur any withdrawal liability within the meaning of Section 4201 of ERISA, (iii) is subject to any lien under Section 412(n) of the Code or Sections 302(f) or 4068 of ERISA or arising out of any action brought under Sections 4070 or 4301 of ERISA or (iv) is required to provide security to a Plan under Section 401(a)(29) of the Code. The PBGC has not instituted proceedings to terminate any Plan or to appoint a trustee or administrator of any such Plan, and no circumstances exist that constitute grounds under Section 4042 of ERISA to commence any such proceedings.

(v) Compliance with Representations. On and as of the date hereof and on and as of each subsequent date any Receivable is purchased by the Transferor using Collections or the proceeds of the sale of Purchaser Interests hereunder, the Transferor hereby represents and warrants that all of the other representations and warranties set forth in this Section 4.1 are true and correct in all material respects (except that the materiality standard in this paragraph (v) shall not apply to any such representation and warranty which is qualified by a materiality standard by its terms) on and as of each such date (and after giving effect to all Receivables in existence on each such date) as though made on and as of each such date.

(w) Material Adverse Effect. As of the date hereof, since December 31, 2013, no event has occurred that would have a Material Adverse Effect with respect to the Transferor. Since December 31, 2013, no event has occurred that would have a material adverse effect on the validity, enforceability or collectibility of all or a material portion of the Receivables.

(x) Ownership of Transferor. The Parent owns, directly or indirectly, 100% of the issued and outstanding capital stock of the Transferor, free and clear of any Lien. Such capital stock is validly issued, fully paid and nonassessable, and there are no options, warrants or other rights to acquire securities of the Transferor.

(y) Accounting. The Transferor shall account for the transactions contemplated by the Purchase Agreements as sales of Receivables to the extent consistent with GAAP.

(z) Purchase of Receivables. On each Purchase Date (as defined in the applicable Purchase Agreement), the Transferor shall have purchased from each Seller, without recourse, all of the Outstanding Receivables (as defined in the applicable Purchase Agreement) of such Seller existing on such Purchase Date and not previously transferred to the Transferor.

(aa) Anti-Corruption Laws and Sanctions. The Transferor has implemented and maintains in effect policies and procedures designed to ensure compliance by the Transferor and its Subsidiaries, directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Transferor, its Subsidiaries and, to the actual knowledge of the Transferor, its officers, employees, directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Transferor or any Subsidiary, or (b) to the actual knowledge of the Transferor, any director, officer, employee or agent of the Transferor or any Subsidiary that will act in any capacity in connection with or benefit from the facility established hereby, is a Sanctioned Person. No Incremental Purchase, use of proceeds or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

SECTION 4.2 Representations and Warranties of the Servicer.

The Servicer hereby represents and warrants to the Administrative Agent, the Funding Agents and the Purchasers, as of the date hereof, as of the date of each Incremental Purchase and as of the date of each Reinvestment:

(a) Organization and Good Standing. The Servicer is a corporation duly formed and validly existing in good standing under the laws of the State of its incorporation and has full power and authority to own its properties and to conduct its business as such properties are presently owned and such business is presently conducted.

(b) Due Qualification. The Servicer is duly qualified to do business, is in good standing as a foreign corporation, and has obtained all necessary licenses and approvals in all jurisdictions in which the conduct of its business requires such qualification, licenses or approvals except to the extent the failure to have such qualifications, licenses or approvals could not reasonably be expected to have a Material Adverse Effect with respect to the Servicer.

(c) Power and Authority; Due Authorization. The Servicer (i) has all necessary power and authority to (A) to execute and deliver this Agreement and the other

Transaction Documents to which it is a party and (B) perform its obligations under this Agreement and the other Transaction Documents to which it is a party and (ii) has duly authorized by all necessary action the execution, delivery and performance of, and the consummation of the transactions provided for in, this Agreement and the other Transaction Documents to which it is a party. Each Transaction Document to which the Servicer is a party has been duly executed and delivered by the Servicer.

(d) Binding Obligations. This Agreement constitutes, and each other Transaction Document to which the Servicer is a party when duly executed and delivered will constitute, a legal, valid and binding obligation of the Servicer, enforceable against the Servicer in accordance with its terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) as such enforceability may be limited by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) No Conflict or Violation. The execution, delivery and performance of, and the consummation of the transactions contemplated by, this Agreement and the other Transaction Documents to which the Servicer is a party, and the fulfillment of the terms hereof and thereof, will not (i) conflict with or violate its certificate of incorporation or by-laws, (ii) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under any indenture, loan agreement, mortgage, deed of trust or other agreement or instrument to which the Servicer is a party or by which it or any of its respective properties is bound except to the extent that such conflict, breach or default could not reasonably be expected to have a Material Adverse Effect with respect to the Servicer, (iii) result in the creation or imposition of any Lien other than Permitted Liens on any of the Receivables, the Related Security with respect thereto or the Collections or (iv) conflict with or violate any federal, state, local or foreign law or any decision, decree, order, rule or regulation applicable to the Servicer or its properties, or of any Governmental Authority having jurisdiction over the Servicer except to the extent that such conflict or violation could not reasonably be expected to have a Material Adverse Effect with respect to the Servicer.

(f) Litigation and Other Proceedings. (i) There is no action, suit, proceeding or investigation pending, or to the best knowledge of the Servicer, threatened, against the Servicer or any of its property before any court, regulatory body, administrative agency or other tribunal or governmental instrumentality and (ii) the Servicer is not subject to any order, judgment, decree, injunction, stipulation or consent order of or with any court or other Governmental Authority which in either case could reasonably be expected to have a material adverse effect on the ability of the Servicer to perform its obligations under any Transaction Document to which it is a party.

(g) Governmental Approvals. All authorizations, consents, orders and approvals of, or other actions by, any Governmental Authority (including, without limitation, the Securities and Exchange Commission) that are required to be obtained by the Servicer (including, without limitation, consents required pursuant to the Public Utility Holding Company Act of 1935) in connection with the due execution, delivery and performance by the Servicer of

this Agreement or any other Transaction Document to which it is a party and the consummation by the Servicer of the transactions contemplated by this Agreement and the other Transaction Documents to which it is a party have been obtained or made and are in full force and effect except to the extent that the failure to obtain or make the foregoing or the failure of which to be in full force and effect could not reasonably be expected to have a Material Adverse Effect with respect to the Servicer.

(h) Accuracy of Information. All certificates, reports, statements, documents and other information furnished to the Administrative Agent or any Purchaser by or on behalf of the Servicer pursuant to any provision of this Agreement or any other Transaction Document, or in connection with or pursuant to any amendment or modification of, or waiver under, this Agreement or any other Transaction Document, shall, at the time the same are so furnished, be true and accurate in every material respect and shall not, at the time the same are so furnished, be otherwise misleading in light of the circumstances under which such information was furnished.

(i) Compliance with Applicable Laws. The Servicer is in compliance with the requirements of all applicable laws, rules, regulations and orders of all Governmental Authorities (federal, state, local or foreign), a violation of any of which, individually or in the aggregate for all such violations, could reasonably be expected to have a material adverse effect on the ability of the Servicer to perform its obligations under any Transaction Document to which it is a party.

(j) ERISA. Each Plan is in compliance with all applicable material provisions of ERISA, and the Servicer or the relevant ERISA Affiliate has received a favorable determination letter from the Internal Revenue Service that each Plan intended to be qualified under Section 401(a) of the Code is so qualified. No Plan has incurred an “accumulated funding deficiency” (within the meaning of Section 302 of ERISA or Section 412 of the Code), whether or not waived. Neither the Servicer nor any ERISA Affiliate (i) has incurred or expects to incur any liability under Title IV of ERISA with respect to any Plan that could give rise to a lien in favor of the PBGC other than liability for the payment of premiums, all of which have been timely paid when due in accordance with Section 4007 of ERISA, (ii) has incurred or expects to incur any withdrawal liability within the meaning of Section 4201 of ERISA, (iii) is subject to any lien under Section 412(n) of the Code or Sections 302(f) or 4068 of ERISA or arising out of any action brought under Sections 4070 or 4301 of ERISA or (iv) is required to provide security to a Plan under Section 401(a)(29) of the Code. The PBGC has not instituted proceedings to terminate any Plan or to appoint a trustee or administrator of any such Plan, and no circumstances exist that constitute grounds under Section 4042 of ERISA to commence any such proceedings.

(k) Compliance with Representations. On and as of the date hereof and on and as of each subsequent date any Receivable is purchased by the Transferor using funds from either (x) Collections or (y) the proceeds of the sale of Purchaser Interests hereunder, the Servicer hereby represents and warrants that all of the other representations and warranties set forth in this Section 4.2 are true and correct in all material respects (except that the materiality standard in this paragraph (k) shall not apply to any such representation and warranty which is qualified by a

materiality standard by its terms) on and as of each such date (and after giving effect to all Receivables in existence on each such date) as though made on and as of each such date.

(l) Material Adverse Effect. Since December 31, 2013, no event has occurred which could reasonably be expected to have a material adverse effect on the ability of the Servicer to perform its obligations under any Transaction Document to which it is a party.

(m) Ownership of Servicer. The Parent owns, directly or indirectly, 100% of the issued and outstanding capital stock of the Servicer. Such capital stock is validly issued, fully paid and nonassessable, and there are no options, warrants or other rights to acquire securities of the Servicer.

(n) Anti-Corruption Laws and Sanctions. The Servicer has implemented and maintains in effect policies and procedures designed to ensure compliance by the Servicer and its Subsidiaries, directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Servicer, its Subsidiaries and, to the actual knowledge of the Servicer, its officers, employees, directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Servicer or any Subsidiary, or (b) to the actual knowledge of the Servicer, any director, officer, employee or agent of the Servicer or any Subsidiary that will act in any capacity in connection with or benefit from the facility established hereby, is a Sanctioned Person. No Incremental Purchase, use of proceeds or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

ARTICLE V CONDITIONS OF PURCHASES

SECTION 5.1 Conditions Precedent to the Effectiveness of this Agreement.

This Agreement shall become effective as of the date hereof upon satisfaction of each of the following conditions precedent on or prior to the Restatement Effective Date, any or all of which (except paragraph (f)) may be waived by the Administrative Agent and each Funding Agent in its sole discretion:

(a) The Administrative Agent and each Funding Agent shall have received fully executed originals of each of the agreements and documents described in Schedule 4 and all fees required to be paid on the Restatement Effective Date;

(b) This Agreement and the Liquidity Agreements of each Conduit Purchaser of the initial Purchaser Groups shall have become effective in accordance with its respective terms and shall remain in force and effect;

(c) All of the terms, covenants, agreements and conditions of this Agreement required to be complied with and performed by the respective parties to such agreements on or prior to the Effective Date shall have been complied with and performed;

(d) Each of the representations and warranties contained in this Agreement and the other Transaction Documents made by each of the parties to such agreements shall be true and correct in all material respects (except that the materiality standard in this paragraph (d) shall not apply to any such representation and warranty which is qualified by a materiality standard by its terms) as of the time of the Restatement Effective Date as though made as of such time (except to the extent that they expressly relate to an earlier time, then such representations and warranties shall be true and correct as of such earlier time);

(e) Each of the representations and warranties made by the Eligible Sellers in the First-Tier Agreements shall be true and correct in all material respects as of such date as though made as of such time (except to the extent that they expressly relate to an earlier time, then such representations and warranties shall be true and correct as of such earlier time);

(f) No Amortization Event, Seller Amortization Event, Agent Default or Servicer Default or event that with the giving of notice or lapse of time or both would constitute such an Amortization Event, Seller Amortization Event, Agent Default or Servicer Default has occurred and is continuing (before and after giving effect to such purchase);

(g) Immediately after giving effect to the sale of such Purchaser Interest, the Purchaser Interests of the Purchasers shall not exceed in the aggregate 100%;

(h) The Administrative Agent and the Funding Agents shall have received copies of all reports and other items required to be delivered by the Transferor and the Servicer hereunder; and

(i) Each of the First-Tier Agreements (as amended in form and substance satisfactory to the Funding Agents) shall remain in full force and effect.

SECTION 5.2 Conditions Precedent to All Incremental Purchases.

Each Incremental Purchase shall be subject to the satisfaction of each of the following conditions precedent as of the date of such Incremental Purchase:

(a) Each of the representations and warranties made by the Transferor in this Agreement shall be true and correct in all material respects as of such date as though made as of such time (except to the extent that they expressly relate to an earlier time, then such representations and warranties in all material respects shall be true and correct as of such earlier time);

(b) If the proceeds of such Incremental Purchase are being used to pay the purchase price of Receivables being acquired from any Seller, each of the representations and warranties made by such Seller in the applicable First-Tier Agreements shall be true and correct in all material respects (except that the materiality standard in this paragraph (b) shall not apply to any such representation and warranty which is qualified by a materiality standard by its terms) as of such date as though made as of such time (except to the extent that they expressly relate to

an earlier time, then such representations and warranties shall be true and correct in all material respects as of such earlier time);

(c) No Amortization Event or Servicer Default or event that with the giving of notice or lapse of time or both would constitute such an Amortization Event or Servicer Default has occurred and is continuing (before and after giving effect to such Incremental Purchase);

(d) If the proceeds of such Incremental Purchase are being used to pay the purchase price of Receivables being acquired from any Seller, no Seller Amortization Event, Agent Default or event that with the giving of notice or lapse of time or both would constitute a Seller Amortization Event or Agent Default has occurred and is continuing with respect to such Seller or the related Agent (before and after giving effect to such Incremental Purchase);

(e) Immediately after giving effect to such Incremental Purchase, the Purchaser Interests of the Purchasers shall not exceed in the aggregate 100%;

(f) This Agreement shall remain in full force and effect;

(g) Each of the Administrative Agent, each Funding Agent and each Purchaser has received such other approvals, documents or opinions as it has reasonably requested in order to confirm that the conditions precedent set forth in this Section 5.2 shall have been satisfied with respect to such Incremental Purchase;

(h) The Administrative Agent and the Funding Agents shall have received copies of all reports and other items required to be delivered by the Transferor and the Servicer hereunder; and

(i) The Amortization Date shall not have occurred.

ARTICLE VI COVENANTS

SECTION 6.1 Affirmative Covenants of the Transferor.

Until the date on which Aggregate Capital has been reduced to zero, all amounts payable by Transferor hereunder shall have been paid in full and this Agreement shall have terminated in accordance with its terms, the Transferor hereby agrees to perform the covenants and agreements set forth in this Section 6.1.

(a) Financial Reports by the Transferor. (i) As soon as available, but in any event within 120 days after the end of each fiscal year of the Transferor, the Transferor shall deliver to the Administrative Agent, and the Administrative Agent shall forward to each Funding Agent, a copy of the audited financial statements of the Transferor at the end of such year, prepared by independent certified public accountants of nationally recognized standing, and (ii) as soon as available, but in any event within 60 days after the end of each fiscal quarter of the Transferor, the Transferor shall deliver to the Administrative Agent, and the Administrative

Agent shall forward to each Funding Agent, a copy of the unaudited financial statements of the Transferor at the end of such quarter, certified by the chief financial officer of the Transferor.

(b) Books and Records. The Transferor shall keep proper books of record and account in which full, true and correct entries shall be made of all dealings and transactions in relation to the Receivables, the Related Security with respect thereto and the Collections and its business activities in accordance with generally accepted accounting principles, and, at its expense, shall permit the Administrative Agent (or its agents or representatives) to visit and inspect any of its properties, to examine and make abstracts from any of its books and records and to discuss its affairs, finances and accounts with its officers, directors, employees and independent public accountants, all at such reasonable times upon reasonable notice and as often as may reasonably be requested. The Administrative Agent may, and shall at the direction of the Majority Purchasers, conduct, or cause its agents or representatives to conduct, examinations of the type described in this Section 6.1(b) whenever the Administrative Agent or the Majority Purchasers, as applicable, reasonably deem any such review appropriate. During regular business hours upon reasonable prior notice, the Transferor shall permit each Funding Agent, at its own expense, to visit the offices and properties of the Transferor for the purpose of discussing the results of the examinations described above, and to discuss matters relating to the Receivables, the Related Security with respect thereto and Collections or the performance by the Transferor of its obligations under this Agreement with any Authorized Officer of the Transferor having knowledge of such matters.

(c) Notice of Amortization Events, Seller Amortization Events, Agent Defaults and Servicer Defaults. Promptly after obtaining knowledge of any of the following occurrences, the Transferor shall give the Administrative Agent written notice thereof and the Administrative Agent shall promptly forward a copy of such written notice to each Funding Agent: (i) the occurrence of any Unmatured Amortization Event or Amortization Event, (ii) the occurrence of any Seller Amortization Event or Agent Default or any event that with the giving of notice or lapse of time or both would constitute a Seller Amortization Event or Agent Default with respect to any Seller or Agent, (iii) each default on the part of any Seller of its obligations under any related First-Tier Agreement, and the action, if any, being taken with respect to such default, and (iv) the occurrence of any Servicer Default or any event that with the giving of notice or lapse of time or both would constitute a Servicer Default.

(d) Maintenance of Existence. The Transferor shall keep in full effect its existence, rights and franchises as a corporation under the laws of the State of Delaware (unless it becomes, or any successor Transferor hereunder is or becomes, organized under the laws of any other State or of the United States of America, in which case the Transferor will keep in full effect its existence, rights and franchises under the laws of such other jurisdiction) and shall obtain and preserve its qualification to do business in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Agreement, the Receivables, the Related Security with respect thereto and Collections and each other related instrument or agreement.

(e) Compliance with Laws. The Transferor will comply with the requirements of all applicable laws, rules, regulations and orders of all Governmental Authorities a violation of

which, individually or in the aggregate for all such violations, is reasonably likely to have a Material Adverse Effect with respect to the Transferor.

(f) Marking Records. On or prior to the date hereof, mark its master data processing records and other books and records relating to the Receivables, the Related Security with respect thereto and Collections to indicate the Lien in favor of the Administrative Agent.

(g) Filing of Tax Returns and Payment of Taxes and Other Liabilities. The Transferor will file (or will cause to be filed on its behalf as a member of a consolidated group) all tax returns and reports required by law to be filed by it and will pay all taxes, assessments and governmental charges shown to be owing by it, except for any such taxes, assessments or charges that are being diligently contested in good faith by appropriate proceedings, for which adequate reserves in accordance with GAAP have been set aside on its books and that not have given rise to any Liens (other than Permitted Liens).

(h) Statements as to Compliance. The Transferor shall deliver to the Administrative Agent, within 120 days after the end of each fiscal year of the Transferor, an Officer's Certificate, in the form of Exhibit D (a copy of which Officer's Certificate the Administrative Agent shall promptly forward to each Funding Agent), stating, as to the Authorized Officer signing such Officer's Certificate, that:

(i) a review of the activities of the Transferor during the 12-month period ending at the end of such fiscal year and of performance under this Agreement has been made under such Authorized Officer's supervision, and

(ii) to the best of such Authorized Officer's knowledge, based on such review, the Transferor has complied with all conditions and covenants under this Agreement throughout such year or, if there has been a default in its compliance with any such condition or covenant, specifying each such default known to such Authorized Officer and the nature and status thereof.

(i) Turnover of Collections. If the Transferor at any time receives any cash, checks or other instruments constituting Collections, such recipient will, promptly upon receipt (and in any event within one (1) Business Day following receipt) remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer, to the Concentration Account or from and after the Amortization Date, or the delivery of a Control Notice pursuant to Section 6.1(l)(iv), the Collection Account.

(j) Maintenance of Property. The Transferor will not sell, lease or otherwise transfer, directly or indirectly, all or substantially all of the property of the Transferor, other than any such sale, lease or transfer in the ordinary course of business and the transfer of the Purchaser Interests as contemplated by the Transaction Documents.

(k) Performance of Obligations. The Transferor will timely and fully perform and comply with all provisions, covenants and other promises required to be observed by it under the Transaction Documents (other than the First-Tier Agreements) to which it is a party. The

Transferor will timely and fully perform and comply in all material respects with all provisions, covenants and other promises required to be observed by it under the First-Tier Agreements.

(l) Concentration Account; AEP Services Account; Depositary Accounts; Collections.

(i) Transferor will cause the Concentration Account to at all times be subject to a Concentration Account Agreement among Transferor, the Concentration Account Bank and the Administrative Agent. Transferor will cause the AEP Services Account to at all times be subject to an AEP Services Account Agreement. Transferor will cause each Depositary Account to at all times be subject to a Depositary Account Agreement among Transferor, the applicable Seller, the applicable Depositary Account Bank and the Administrative Agent. Transferor will cause each Lock-Box to at all times be subject to a P.O. Box Transfer Notice. Transferor agrees that if any Collections are received by Transferor in an account other than the Concentration Account, such monies, instruments, cash and other proceeds will be immediately remitted to the Concentration Account or, from and after the Amortization Date, or the delivery of a Control Notice pursuant to Section 6.1(l)(iv), the Collection Account, with any necessary endorsement and in any event within one (1) Business Day after identification thereof.

(ii) The Transferor will cause all Sellers to deposit all collections in respect of receivables and related assets that are not included in the Receivables and the Related Security with respect thereto in an account that is not the Collection Account or the Concentration Account and will take such other steps to ensure that all payments on such receivables and related assets that are not included in the Receivables and the Related Security with respect thereto will be segregated from Collections held in the Concentration Account or the Collection Account. The Transferor will cause each Seller to (x) instruct all of its Obligors to submit all Collections directly to a Sub-Agent, a Lock-Box, the AEP Utilities Account or another Depositary Account to which only amounts owed to such Seller are deposited, and (y) instruct all of its Sub-Agents to submit all Collections directly to a Depositary Account to which only amounts owed to such Seller are deposited. In the case of any remittances received in the Concentration Account that shall have been identified, to the satisfaction of the Transferor, to not constitute Collections or other proceeds of the Receivables or the Related Security, the Transferor shall promptly remit such items to the Person identified to it as being the owner of such remittances.

(iii) Within ten (10) Business Days following the request of the Administrative Agent (at the request of the Majority Purchasers) after the occurrence and continuation of an Amortization Event, the Transferor shall cause each Depositary Account (other than the AEP Utilities Account) to be retitled in the name of "AEP Credit, Inc." Within ten (10) Business Days following the request of the Administrative Agent (at the request of the Majority Purchasers) after the occurrence and continuation of a Seller Amortization Event with respect to any Seller or the commencement of any Level Two Enhancement Period with respect to any Seller, the Transferor shall cause each Depositary Account of such Seller to be retitled in the name of "AEP Credit, Inc."

(iv) Notwithstanding the delivery of the Concentration Account Agreement, the AEP Services Account Agreement and the Depository Account Agreements, (A) the Administrative Agent shall not have the right to deliver a Control Notice with respect to the Concentration Account until the occurrence and continuation of an Amortization Event, and (B) the Administrative Agent shall not have the right to deliver a Control Notice with respect to a Depository Account of a particular Seller or a Control Notice in respect of the Collections with respect to the Receivables originated by a particular Seller on deposit in the AEP Services Account until the earliest to occur of (x) the occurrence and continuation of a Seller Amortization Event with respect to such Seller, (y) a Level Two Enhancement Period with respect to such Seller, or (z) the occurrence and continuation of an Amortization Event. Once a Control Notice is delivered by the Administrative Agent (at the request of the Majority Purchasers) pursuant to the Concentration Account Agreement or any Depository Account Agreement, the Administrative Agent shall direct all Collections on deposit in the Concentration Account or the related Depository Account, as applicable, on each Business Day to be transferred to the Collection Account. Once a Control Notice in respect of the Collections with respect to the Receivables originated by a particular Seller on deposit in the AEP Services Account is delivered by the Administrative Agent (at the request of the Majority Purchasers) pursuant to the AEP Services Account Agreement, the Administrative Agent shall direct all Collections with respect to the Receivables originated by such Seller on deposit in the AEP Services Account on each Business Day to be transferred to the Collection Account. Notwithstanding the execution of the P.O. Box Transfer Notices, the Administrative Agent shall not have the right to instruct the Postmaster General of the applicable Post Office to restrict access to any Lock-Box until the occurrence of an Agent Transfer with respect to the Agent servicing the Collections remitted to such Lock-Box.

(v) The Transferor will provide to the Administrative Agent copies of any amendment to, or modification of, the terms and conditions of any financial institution applicable to the Depository Accounts, the Concentration Accounts, the AEP Services Account or the Collection Account.

(m) Compliance with Credit and Collection Procedure. The Transferor will comply in all material respects with the applicable Credit and Collection Procedure with respect to each Receivable and the Contract related to such Receivable.

(n) Performance and Enforcement of First-Tier Agreements. The Transferor will use its reasonable efforts to cause each Seller to perform each of its respective obligations and undertakings under and pursuant to the applicable First-Tier Agreements. The Transferor will purchase Receivables thereunder in compliance with the terms thereof and will use its reasonable efforts to enforce the rights and remedies accorded to the Transferor under the First-Tier Agreements. The Transferor will take all actions to perfect and enforce its rights and interests (and the rights and interests of the Administrative Agent on behalf of the Purchasers, as assignees of the Transferor) under the First-Tier Agreements as the Administrative Agent may from time to time reasonably request, including, without limitation, making claims to which it may be entitled under any indemnity, reimbursement or similar provision contained in any First-Tier Agreement; provided, however, that the Transferor shall not be required to take such

requested action if it would cause the Transferor to breach of any of the terms or provisions of such First-Tier Agreement.

(o) Dilutive Credits. If on any day the Unpaid Balance of any Receivable is reduced as a result of any Dilutive Credit, then the Transferor shall deposit on the earlier of the following Settlement Date or Capital Payment Date the amount of such Dilutive Credit, in cash, in the Concentration Account or, from and after the Amortization Date, or the delivery of a related Control Notice pursuant to Section 6.1(l)(iv), the Collection Account; provided, however, that the Transferor shall not be required to make such deposit if (x) no Amortization Event or Seller Amortization Event with respect to the Seller which originated such Receivable has occurred and is continuing on such day and (y) the Purchaser Interests of the Purchasers do not exceed 100% on such day.

(p) Other Reporting Requirements. From the Closing Date until the termination of this Agreement, the Transferor agrees that it will furnish to the Administrative Agent (copies of which will be forwarded promptly by the Administrative Agent to each Funding Agent):

(i) Material Adverse Effect. Promptly and in any event within two (2) Business Days after any of the president, controller or treasurer of the Transferor has actual knowledge thereof, written notice that describes in reasonable detail any event or occurrence that, individually or in the aggregate for all such events or occurrences, has had, or that such Authorized Officer in its reasonable good faith judgment determines could reasonably be expected to have, a Material Adverse Effect with respect to the Transferor;

(ii) Proceedings. Promptly and in any event within five (5) Business Days after an Authorized Officer of the Transferor has knowledge thereof, written notice of (A) any litigation, investigation or proceeding involving the Transferor not previously disclosed by the Transferor, (B) any material adverse development that has occurred with respect to any such previously disclosed litigation, investigation or proceeding, or (C) the entry of any judgment or decree against any Seller or the Servicer if the amount of any such judgment or decree entered against any such Person exceeds \$50,000,000 (or \$25,000,000 in the case of any Seller which is not a Significant Subsidiary of the Parent or AEP Utilities);

(iii) ERISA Event. (A) As soon as possible and in any event within thirty (30) days after the Transferor knows or has reason to know that a "reportable event" (as defined in Section 4043 of ERISA) has occurred with respect to any Plan, a statement of an Authorized Officer of the Transferor setting forth details as to such reportable event and the action that the Transferor or an ERISA Affiliate proposes to take with respect thereto, together with a copy of the notice of such reportable event, if any, given to the PBGC, the Internal Revenue Service or the Department of Labor; (B) promptly and in any event within ten (10) Business Days after receipt thereof (or knowledge of the receipt by an (ERISA Affiliate thereof), a copy of any notice the Transferor receives relating to the intention of the PBGC to terminate any Plan or to appoint a trustee to administer any such

Plan; (C) promptly and in any event within ten (10) Business Days after a filing with the PBGC pursuant to Section 412(n) of the Code of a notice of failure to make a required installment or other payment with respect to a Plan, a statement of the chief financial officer of the Transferor setting forth details as to such failure and the action that the Transferor proposes to take (or knows will be taken) with respect thereto, together with a copy of such notice given to the PBGC; and (D) promptly and in any event within thirty (30) Business Days after receipt thereof by the Transferor from the sponsor of a multiemployer plan (as defined in Section 3(37) of ERISA), a copy of each notice received by the Transferor concerning the imposition of withdrawal liability or a determination that a multiemployer plan is, or is expected to be, terminated or reorganized;

(iv) First-Tier Agreements. Promptly, and in any event within two (2) Business Days, after an Authorized Officer of the Transferor has knowledge thereof, written notice of the termination of any First-Tier Agreement;

(v) Ratings Downgrade. As soon as possible, and in any event within five (5) Business Days, after an Authorized Officer of the Transferor has knowledge thereof, notice of any downgrade or withdrawal of the Debt Rating of any Seller by S&P or Moody's setting forth the Indebtedness affected and the nature of such change;

(vi) Notices; Reports. Promptly upon its receipt of any notice, request for consent, financial statements, certification, report or other communication under or in connection with any Transaction Document from any Person other than the Administrative Agent, copies of the same;

(vii) Seller Eligibility. Promptly, and in any event within two (2) Business Days after an Authorized Officer of the Transferor has knowledge thereof, written notice of the failure of any Seller to be an Eligible Seller;

(viii) Appointment of Independent Director. Notice of the decision to appoint a new director of the Transferor as the "Independent Director" for purposes of this Agreement, such notice to be issued not less than ten (10) days prior to the effective date of such appointment and to certify that the designated Person satisfies the criteria set forth in the definition herein of "Independent Director"; and

(ix) Other. Promptly, from time to time, such other information, documents, records or reports with respect to the Receivables, the Related Security with respect thereto and Collections or the condition or operations, financial or otherwise, of the Transferor as the Administrative Agent may from time to time reasonably request in order to protect the interests of the Purchasers under or as contemplated by this Agreement.

(q) Further Instruments and Acts. Upon request of the Administrative Agent, the Transferor shall execute and deliver such further instruments and do such further acts as may be reasonably necessary to carry out more effectively the purpose of this Agreement.

(r) Minimum Net Worth. The Transferor shall at all times maintain a minimum net worth equal to five percent (5.0%) of the aggregate Unpaid Balance of all Receivables.

(s) Anti-Corruption Laws. The Transferor will maintain in effect and enforce policies and procedures designed to ensure compliance by the Transferor and each of its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

(t) Delayed Funding Amendment. If the average Aggregate Capital is less than 80% of the Aggregate Commitment for a period of 3 consecutive Monthly Periods, the Transferor will work diligently and in good faith with the Administrative Agent, the Funding Agents and the Purchasers to negotiate, and will promptly execute, within 90 days following knowledge or notice of such circumstance, an amendment to this Agreement that implements delayed funding option provisions.

SECTION 6.2 Negative Covenants of the Transferor.

Until the date on which the Aggregate Capital has been reduced to zero, all amounts payable by Transferor hereunder shall have been paid in full and this Agreement shall have terminated in accordance with its terms, the Transferor hereby covenants that it shall not:

(a) Amendment of Certificate of Incorporation. Amend its Certificate of Incorporation without the prior written consent of the Majority Purchasers;

(b) Change in Organization, Location or Office Where Records are Kept. (i) Change the location of the office where Records are kept or (ii) change its name, type of organization, organizational identification number or the jurisdiction of its formation without prior written notice to the Administrative Agent sufficient to allow the Administrative Agent to submit for filing all filings prepared by the Transferor (including filings of financing statements on form UCC-1) and recordings necessary to maintain the perfection of the interest of the Administrative Agent on behalf of the Purchasers in the Receivables, the Related Security with respect thereto and Collections in which a security interest may be perfected by filing UCC financing statements or by the taking of any other action necessary to protect or perfect the interests of the Purchasers hereunder which the Administrative Agent has reasonably requested the Transferor to take pursuant to this Agreement. If the Transferor desires to so change the location of its Records, its name, type of organization, organizational identification number or the jurisdiction of its formation, the Transferor will make any required filings and prior to actually changing the location of its Records, its name or the jurisdiction of its formation, the Transferor shall deliver to the Administrative Agent (i) an Officer's Certificate and (ii) copies of all such required filings with the filing information duly noted thereon by the office in which such filings were made;

(c) Change in the Concentration Account, Lock-Boxes, AEP Services Account or Depositary Accounts; Payment Instructions to Sellers.

(i) Make any changes to the Concentration Account or change its instructions to Sellers or other Persons regarding payments to be made to the Transferor or payments to be made to the Collection Account or the Concentration Account; or

(ii) Permit any Seller to make any changes to any Depositary Account Agreement or the AEP Services Account Agreement or establish any new Lock-Box, any new Depositary Account or a new AEP Services Account or permit any Seller to change its instructions to Obligors, Sub-Agents or other Persons regarding payments to be made to any Lock-Box or any Depositary Account (except for a change in instructions solely for the purpose of directing such Obligors, Sub-Agents or other Persons to make such payments to another existing Lock-Box or Depositary Account to which only amounts owed to such Seller are deposited), unless the Administrative Agent has received copies of (x) a duly executed P.O. Box Transfer Notice with respect to such new Lock-Box, (y) a Depositary Account Agreement duly executed by the Transferor, the related Seller, the Administrative Agent and such new Depositary Bank with respect to such new Depositary Account, as applicable or (z) a new AEP Services Account Agreement duly executed by each Seller, Transferor, the new AEP Services Account Bank and the Administrative Agent.

(iii) Consent to any amendment or modification of the terms and conditions of any financial institution applicable to the Depositary Accounts, the Concentration Accounts, the AEP Services Account or the Collection Account that could reasonably be expected to materially and adversely affect the rights or interests of the Administrative Agent or any Purchaser.

(d) Capital Expenditures. Make any expenditure (by long-term or operating lease or otherwise) for capital assets (either realty or personalty);

(e) No Other Business or Agreements. Engage in any business other than financing, purchasing, owning and selling and managing the Receivables, the Related Security with respect thereto and Collections in the manner contemplated by this Agreement and the other Transaction Documents and all activities incidental thereto, or enter into or be a party to any agreement or instrument other than (i) any Transaction Document or documents and agreements incidental thereto, or (ii) any agreement with respect to the sale of Designated Charged-Off Receivables which satisfies the requirements of clause (iii) of Section 2.6;

(f) Consolidation, Merger or Other Form of Combination and Sale of Assets. Enter into any consolidation, merger, joint venture, syndicate or other form of combination with any Person or sell, lease or transfer or otherwise dispose of any assets, including without limitation the Receivables, the Related Security with respect thereto and Collections, other than as expressly provided for in the Transaction Documents, or engage in any other transaction, that would result in a change of control of the Transferor;

(g) Guarantees, Loans, Advances and other Liabilities. Except as contemplated by this Agreement or the other Transaction Documents, make any loan or advance or credit to, or guarantee (directly or indirectly or by an instrument having the effect of assuring another's payment or performance on any obligation or capability of so doing or otherwise), endorse or otherwise become contingently liable, directly or indirectly, in connection with the obligations, stocks or dividends of, or own, purchase, repurchase or acquire (or agree contingently to do so) any stock, obligations, assets or securities of, or any other interest in, or make any capital contribution to, any other Person;

(h) Dividends, Subordinated Payments. Make any dividend, distribution, redemption of capital stock which would cause its net worth to be less than that required in Section 6.1(r) or make any payment under the Subordinated Note or any other subordinated indebtedness at any time its net worth is less than that required in Section 6.1(r).

(i) Sales, Liens. Sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, or create or suffer to exist any Lien (other than Permitted Liens) upon (including, without limitation, the filing of any financing statement) or with respect to, any Receivable, the Related Security with respect thereto or Collections, or assign any right to receive income with respect thereto (other than, in each case, the creation of the interests therein in favor of the Administrative Agent provided for herein) or permit the Lien of this Agreement not to constitute a valid first priority perfected security interest in the Receivables, the Related Security with respect thereto and Collections a security interest in which may be (A) created under Article 9 of the UCC, subject to Permitted Liens, and (B) perfected by filing a UCC financing statement or by the taking of any other action necessary to protect or perfect the security interest of the Administrative Agent for the ratable benefit of the Purchasers hereunder which the Administrative Agent has reasonably requested the Transferor to take; provided that the Transferor may assign a First-Tier Agreement (i) with respect to which the related Seller is not an Eligible Seller and there are no Receivables included in the Aggregate Receivables Balance which were purchased or are to be serviced under such First-Tier Agreement and (ii) after all actions have been taken to ensure the Transferor's compliance with Section 6.1(l).

(j) Termination of First-Tier Agreements. Terminate any First-Tier Agreement without the prior written consent of the Administrative Agent and the Funding Agents, except with respect to (x) the occurrence of an automatic termination of such First-Tier Agreement pursuant to the terms thereof or (y) the termination of a First-Tier Agreement with respect to which the related Seller is not an Eligible Seller and there are no Receivables included in the Aggregate Receivables Balance which were purchased or are to be serviced under such First-Tier Agreement.

(k) Indebtedness. Issue, incur, assume, guarantee or otherwise become liable, directly or indirectly, for any indebtedness except as expressly provided for pursuant to the terms of the Transaction Documents and the Subordinated Note;

(l) Effectiveness of Agreement. Permit the validity or effectiveness of this Agreement to be impaired, or permit the Lien of this Agreement to be amended, hypothecated,

subordinated, terminated or discharged, or permit any Person to be released from any covenants or obligations under this Agreement except, in each case, as may be expressly permitted hereby;

(m) Dissolve or Liquidate. Dissolve or liquidate in whole or in part;

(n) Change in Credit and Collection Procedure. Not provide its consent to any Seller's request to make any material change in the related Credit and Collection Procedure, to the extent the Transferor has the right to consent to such change under the terms of the applicable Purchase Agreement; or

(o) Amendments, Etc. (i) permit any amendment, modification or supplement to any First-Tier Agreement or any other Transaction Document to which it is a party, or (ii) waive timely performance or observance by any Seller of its obligations under the related First-Tier Agreements or (iii) permit any Person party to a Transaction Agreement to be released from its obligations thereunder, except in accordance with the terms of such First-Tier Agreement or other Transaction Document, without the consent of the Funding Agents.

(p) Anti-Corruption Laws. The Transferor will not request any Incremental Purchase, and the Transferor shall not use, and shall ensure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Incremental Purchase (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (C) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 6.3 Protection of Pledged Assets.

The Transferor shall from time to time prepare (or cause to be prepared), execute and deliver all such supplements and amendments hereto and all such financing statements, continuation statements, instruments of further assurance and other instruments, and shall take such other action necessary to:

(a) more effectively create a security interest in all or any portion of the Receivables, the Related Security with respect thereto and Collections to the extent the Receivables, the Related Security with respect thereto and Collections constitute property a security interest in which may be created under Article 9 of the UCC;

(b) maintain or preserve the Lien (and the priority thereof) of this Agreement or to carry out more effectively the purposes hereof;

(c) perfect, publish notice of, or protect the validity of, any security interest created or to be created by this Agreement;

(d) enforce any of the Receivables, the Related Security with respect thereto or Collections; or

(e) preserve and defend title to the Receivables, the Related Security with respect thereto and Collections and the rights therein of the Administrative Agent and the Purchasers against the claims of all persons and parties.

The Transferor hereby authorizes the Administrative Agent to execute and/or file any financing statement, continuation statement or other instrument required pursuant to this Section 6.3.

SECTION 6.4 [Reserved].

SECTION 6.5 Other Obligations of the Transferor.

(a) The Transferor shall not take any action that would release any Person from any of such Person's material covenants or obligations under any First-Tier Agreement or that would result in the amendment of any First-Tier Agreement, or that would result in the hypothecation, subordination, termination or discharge of, or impair the validity or effectiveness of, any First-Tier Agreement except as expressly provided in this Agreement or the First-Tier Agreements.

(b) The Transferor may contract with other Persons to assist it in performing its duties under this Agreement, and any performance of such duties by such Person shall be deemed to be action taken by the Transferor.

(c) The Transferor shall punctually file or cause to be filed all UCC financing statements and continuation statements required to be filed by the terms of the First-Tier Agreements in accordance with and within the time periods provided for therein.

SECTION 6.6 Separate Corporate Existence of the Transferor.

The Transferor hereby acknowledges that the parties to the Transaction Documents are entering into the transactions contemplated by the Transaction Documents in reliance on the Transferor's identity as a legal entity separate from the Sellers and all other members of the Parent Affiliated Group. From and after the date hereof until one year and one day after the date on which the Aggregate Capital has been reduced to zero and this Agreement terminates in accordance with its terms, the Transferor shall take such actions as shall be required in order that:

(a) The Transferor will conduct its business in office space allocated to it, clearly identified as its office space, and for which it pays an appropriate rent and overhead allocation from its own assets;

(b) The Transferor will maintain corporate records and books of account separate from those of each of its Affiliates and telephone numbers and stationery that are separate and distinct from those of each of its Affiliates;

(c) The Transferor's assets will be maintained in a manner that facilitates their identification and segregation from those of any of its Affiliates;

(d) The Transferor will strictly observe corporate formalities in its dealings with the public and with each of its Affiliates, and funds or other assets of the Transferor will not be commingled with those of any of its Affiliates, except as may be permitted by the Transaction Documents. The Transferor will at all times, in its dealings with the public and with each of its Affiliates, hold itself out and conduct itself as a legal entity separate and distinct from each of its Affiliates. The Transferor will not maintain joint bank accounts or other depository accounts to which any of its Affiliates (other than the Servicer) has independent access;

(e) The shareholders of the Transferor and duly appointed directors or officers of the Transferor will at all times have sole authority to control decisions and actions with respect to the daily business affairs of the Transferor;

(f) The Transferor shall have at all times a Board of Directors consisting of at least three (3) members, at least one (1) member of which is an Independent Director. The Transferor will observe those provisions in its certificate of incorporation and by-laws that provide that the Transferor's Board of Directors will not approve, or take any other action to (i) cause the filing of, a voluntary bankruptcy petition, or (ii) dissolve or liquidate the Transferor, unless each member of the Transferor's Board of Directors (including each Independent Director) shall have unanimously approved and authorized the taking of such action in writing prior to the taking of such action;

(g) The Transferor will compensate each of its employees, consultants and agents from the Transferor's own funds for services provided to the Transferor;

(h) The Transferor will not hold itself out to be responsible for the debts of any of its Affiliates;

(i) The Transferor will conduct all transactions with any Person strictly on an arm's-length basis;

(j) The Transferor shall prepare its financial statements separately from those of member of the Parent Affiliate Group and insure that any consolidated financial statements of any Affiliate that include the Transferor and that are filed with the Securities and Exchange Commission or any other governmental agency have notes clearly stating that Transferor is a separate corporate entity and that its assets will be available first and foremost to satisfy the claims of the creditors of Transferor;

(k) The Transferor will take all actions necessary on its part to be taken in order to ensure that the facts and assumptions relating to the Transferor set forth in the opinion of Torys LLP dated as of January 20, 2008 relating to substantive consolidation matters, and the certificates accompanying such opinion, will be true and correct at all times; and

(l) The Transferor will maintain its corporate charter in conformity with this Agreement, such that it does not amend, restate, supplement or otherwise modify its certificate of incorporation or by-laws in any respect that would impair its ability to comply with the terms or provisions of any of the Transaction Documents, including, without limitation, this Section 6.6.

SECTION 6.7 Affirmative Covenants of the Servicer.

Until the date on which the Aggregate Capital has been reduced to zero, all amounts payable by Transferor hereunder shall have been paid in full and this Agreement shall have terminated in accordance with its terms, the Servicer hereby covenants that it will perform the covenants and agreements set forth in this Section 6.7.

(a) Compliance with Laws, Etc. The Servicer will comply with the requirements of all applicable laws, rules, regulations and orders of all Governmental Authorities, in each case to the extent that the failure to comply, individually or in the aggregate, could reasonably be expected to have a material adverse effect on the ability of the Servicer to perform its obligations under any Transaction Document to which it is a party.

(b) Maintenance of Existence. The Servicer shall keep in full effect its existence, rights and franchises as a corporation under the laws of the State of New York (unless it becomes, or any successor Servicer hereunder is or becomes, organized under the laws of any other State or of the United States of America, in which case the Servicer will keep in full effect its existence, rights and franchises under the laws of such other jurisdiction) and shall obtain and preserve its qualification to do business in each jurisdiction in which the failure to preserve and maintain such qualification as a foreign corporation could reasonably be expected to have a Material Adverse Effect with respect to the Servicer.

(c) Statements as to Compliance. The Servicer shall deliver to the Administrative Agent, within 120 days after the end of each fiscal year of the Servicer, an Officer's Certificate, in the form of Exhibit E (a copy of which Officer's Certificate the Administrative Agent shall promptly forward to each Funding Agent), stating, as to the Authorized Officer signing such Officer's Certificate, that

(i) a review of the activities of the Servicer during the 12-month period ending at the end of such fiscal year and of performance under this Agreement has been made under such Authorized Officer's supervision, and

(ii) to the best of such Authorized Officer's knowledge, based on such review, the Servicer has complied with all conditions and covenants under this Agreement throughout such year or, if there has been a default in its compliance with any such condition or covenant, specifying each such default known to such Authorized Officer and the nature and status thereof.

(d) Performance of Obligations. The Servicer will timely and fully perform and comply with all provisions, covenants and other promises required to be observed by it under the Transaction Documents to which it is a party.

(e) Other Reporting Requirements. From the Closing Date until the termination of this Agreement, the Servicer agrees that it will furnish to the Administrative Agent (copies of which will be forwarded promptly by the Administrative Agent to each Funding Agent):

(i) Material Adverse Effect. Promptly and in any event within two (2) Business Days after any of the president, chief financial officer, controller or treasurer of the Servicer has actual knowledge thereof, written notice that describes in reasonable detail any event or occurrence that, individually or in the aggregate for all such events or occurrences, has had, or that such Authorized Officer in its reasonable good faith judgment determines could reasonably be expected to have a material adverse effect on the ability of the Servicer to perform its obligations under any Transaction Document to which it is a party;

(ii) Proceedings. Promptly and in any event within five (5) Business Days after an Authorized Officer of the Servicer has knowledge thereof, written notice of (A) any litigation, investigation or proceeding involving the Servicer not previously disclosed by the Servicer which could reasonably be expected to have a material adverse effect on the ability of the Servicer to perform its obligations under any Transaction Document to which it is a party, (B) any material adverse development that has occurred with respect to any such previously disclosed litigation, investigation or proceeding, or (C) the entry of any judgment or decree against any Seller or the Servicer if the amount of any such judgment or decree entered against any such Person exceeds \$50,000,000 (or \$25,000,000 in the case of any Seller which is not a Significant Subsidiary of the Parent or AEP Utilities);

(iii) ERISA Event. (A) As soon as possible and in any event within thirty (30) days after the Servicer knows or has reason to know that a “reportable event” (as defined in Section 4043 of ERISA) which could reasonably be expected to have a material adverse effect on the ability of the Servicer to perform its obligations under any Transaction Document to which it is a party has occurred with respect to any Plan, a statement of an Authorized Officer of the Servicer setting forth details as to such reportable event and the action that the Servicer or an ERISA Affiliate proposes to take with respect thereto, together with a copy of the notice of such reportable event, if any, given to the PBGC, the Internal Revenue Service or the Department of Labor; (B) promptly and in any event within ten (10) Business Days after receipt thereof (or knowledge of the receipt by an (ERISA Affiliate thereof), a copy of any notice the Servicer receives relating to the intention of the PBGC to terminate any Plan or to appoint a trustee to administer any such Plan; (C) promptly and in any event within ten (10) Business Days after a filing with the PBGC pursuant to Section 412(n) of the Code of a notice of failure to make a required installment or other payment with respect to a Plan, a statement of the chief financial officer of the Servicer setting forth details as to such failure and the action that the Servicer proposes to take (or knows will be taken) with respect thereto, together with a copy of such notice given to the PBGC; and (D) promptly and in any event within thirty (30) Business Days after receipt thereof by the Servicer from the sponsor of a multiemployer plan (as defined in Section 3(37) of ERISA), a copy of each notice received by the Servicer concerning the imposition of withdrawal liability or a determination that a multiemployer plan is, or is expected to be, terminated or reorganized;

(iv) First-Tier Agreements. Promptly, and in any event within two (2) Business Days after an Authorized Officer of the Servicer has knowledge thereof, written notice of the termination of any First-Tier Agreement;

(v) Ratings Downgrade. As soon as possible, and in any event within five (5) Business Days after an Authorized Officer of the Servicer has knowledge thereof, notice of any downgrade or withdrawal of the Debt Rating of any Seller by S&P or Moody's setting forth the Indebtedness affected and the nature of such change;

(vi) Notices; Reports. Promptly upon its receipt of any notice, request for consent, financial statements, certification, report or other communication under or in connection with any Transaction Document from any Person other than the Administrative Agent, copies of the same;

(vii) Asset Deficiency. As soon as possible, and in any event within two (2) Business Days after an Authorized Officer of the Servicer has knowledge thereof, notice if the Purchaser Interests of the Purchasers exceed in the aggregate 100%;

(viii) Holidays. On or before December 31 of each calendar year, a revised Schedule 5 listing each day during the next succeeding calendar year, other than a Saturday or Sunday, on which the Seller or the Servicer will be closed for business;

(ix) Servicer Default. Within five (5) Business Days after the Servicer becomes aware of any Servicer Default, written notice thereof, with a copy to Transferor and each Funding Agent; and

(x) Other. Promptly, from time to time, such other information, documents, records or reports with respect to the Receivables, the Related Security with respect thereto and Collections or the condition or operations, financial or otherwise, of the Servicer as the Administrative Agent may from time to time reasonably request in order to protect the interests of the Purchasers under or as contemplated by this Agreement.

(f) Further Instruments and Acts. Upon request of the Administrative Agent, the Servicer shall execute and deliver such further instruments and do such further acts as may be reasonably necessary to carry out more effectively the purpose of this Agreement.

(g) Separate Corporate Existence of the Transferor. The Servicer hereby acknowledges that the parties to the Transaction Documents are entering into the transactions contemplated by the Transaction Documents in reliance upon the Transferor's identity as a legal entity separate from the Servicer. As long as it is the Servicer hereunder, the Servicer will take such actions as shall be required in order that:

(i) The Transferor's operating expenses will not be paid by the Servicer;

(ii) Any transaction between the Transferor on the one hand and the Servicer on the other hand will be fair and equitable, will be the type of transaction that would be entered into by a prudent Person in the position of the Transferor with the Servicer, and

will be on terms that are at least as favorable as may be obtained from a Person that is not a member of the Parent Affiliated Group;

(iii) The Servicer will not be, or will not hold itself out to be, responsible for the debts of the Transferor; and

(iv) To the extent necessary on the Servicer's part, the Transferor is at all times in compliance with the covenants set forth in Section 6.6.

(h) Computer Software, Hardware and Services. The Servicer will provide the Transferor with such licenses, sublicenses and/or assignments of contracts as the Transferor requires with regard to all services and computer hardware or software that relate to its obligations hereunder.

(i) Turnover of Collections. If the Servicer or any of its agents or representatives at any time receives any cash, checks or other instruments constituting Collections, such recipient will promptly upon receipt (and in any event within two (2) Business Days following receipt) remit all such cash, checks and instruments, duly endorsed or with duly executed instruments of transfer, to the Concentration Account or from and after the Amortization Date, or the delivery of a Control Notice pursuant to Section 6.1(l)(iv), the Collection Account.

(j) Anti-Corruption Laws. The Servicer will maintain in effect and enforce policies and procedures designed to ensure compliance by the Servicer and each of its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

SECTION 6.8 Negative Covenants of the Servicer.

(a) Change in Business. Until the date on which the Aggregate Capital has been reduced to zero, all amounts payable by Transferor hereunder shall have been paid in full and this Agreement shall have terminated in accordance with its terms, the Servicer hereby covenants that it will not make any change in the character of its business or engage in any business unrelated to such business as currently conducted that, in either case, individually or in the aggregate with all other such changes, could reasonably be expected to have a material adverse effect on the ability of the Servicer to perform its obligations under any Transaction Document to which it is a party.

(b) Anti-Corruption Laws. The Servicer will not request any Incremental Purchase, and the Servicer shall not use, and shall ensure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Incremental Purchase (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (C) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

ARTICLE VII
SERVICER

SECTION 7.1 Designation of Servicer.

(a) The administration of the Collections received by the Transferor and duties related to the reporting of information regarding the Receivables, the Related Security with respect thereto and Collections shall be conducted by the Person designated as the Servicer hereunder from time to time in accordance with this Section 7.1. Until the Administrative Agent gives a Termination Notice to American Electric Power Service Corporation pursuant to Section 7.7, American Electric Power Service Corporation is hereby designated, and American Electric Power Service Corporation, hereby agrees to act, as the Servicer under this Agreement, and the Transferor consents to American Electric Power Service Corporation acting as the Servicer.

(b) The Servicer may not delegate any part of its duties hereunder to any Person; provided, however, that with prior written notice to the Administrative Agent and the Funding Agents, the Servicer may at any time delegate any part of its duties hereunder to any Affiliate of the Servicer. Each such Person to whom any such duties are delegated in accordance with this Section 7.1(b) is referred to herein as a “Sub-Servicer”. Notwithstanding any such delegation by the Servicer, the Servicer shall remain liable for the performance of all duties and obligations of the Servicer pursuant to the terms of this Agreement, and such delegation shall not relieve the Servicer of its liability and responsibility with respect to such duties. The fees and expenses of any such Sub-Servicers shall be as agreed between the Servicer and such Sub-Servicers from time to time, and none of the Transferor, the Administrative Agent, any Funding Agent or any Purchaser shall have any responsibility therefor. Upon any termination of the Servicer pursuant to Section 7.7, all Sub-Servicers designated pursuant to this Section 7.1(b) by the Servicer shall be automatically terminated.

SECTION 7.2 Duties of Servicer and the Transferor.

(a) The Transferor hereby appoints the Servicer from time to time designated pursuant to Section 7.1(a) as Servicer hereunder to take all actions authorized below or elsewhere in this Agreement.

(b) As Servicer hereunder, the Servicer shall administer the Collections received by the Transferor and prepare the reports required hereunder all in accordance with the Transaction Documents. On each Business Day on or after the Amortization Date but prior to the delivery of a Control Notice with respect to the Concentration Account in accordance with Section 61(l)(iv), the Servicer shall cause all monies on deposit in the Concentration Account to be transferred to the Collection Account. As Servicer hereunder, the Servicer shall have full power and authority, acting alone or through any party properly designated by it hereunder, to do any and all things it may deem necessary or appropriate in connection with such duties. The Transferor and the Administrative Agent shall furnish the Servicer with any documents necessary or appropriate to enable the Servicer to carry out its duties hereunder.

(c) Without limiting the generality of the foregoing, the Transferor hereby authorizes and empowers the Servicer or its designee as follows, except to the extent any such power and authority is revoked or limited on account of the occurrence of a Servicer Default or otherwise pursuant to Section 7.7:

(i) to make withdrawals and payments from the Collection Account, and

(ii) to make all filings and take all and other actions necessary for the Transferor to maintain a first priority perfected security and/or ownership interest in the Receivables (subject to Permitted Liens) have been taken or made.

(d) The Servicer shall pay out of its own funds, except as otherwise provided in Section 7.6, without reimbursement, all expenses incurred in connection with its servicing activities hereunder, including fees and disbursements of its outside counsel and independent accountants and all other fees and expenses.

SECTION 7.3 Records and Reports.

(a) The Servicer shall maintain at all times on behalf of the Transferor accurate and complete books, records and accounts related to the Receivables, the Related Security with respect thereto and Collections which are necessary for the Servicer to perform its obligations under this Agreement. The Servicer shall maintain and implement administrative and operating procedures that the Servicer deems reasonably necessary for the Servicer to perform its obligations under this Agreement. Upon the reasonable request of the Administrative Agent after the occurrence and continuance of a Servicer Default and termination under Section 7.7, the Servicer will deliver (and the Transferor hereby directs the Servicer to deliver) copies of all books and records maintained pursuant to this Section 7.3(a) to the Administrative Agent.

(b) During regular business hours upon reasonable prior notice, the Servicer shall permit the Transferor, the Administrative Agent (or such other Person whom the Administrative Agent or the Transferor may designate from time to time), or their agents or representatives (including without limitation certified public accountants or other auditors), at the expense of the Servicer, (i) to examine and make copies of and abstracts from, and to conduct accounting reviews of, all Records and other documentation regarding the Receivables, the Concentration Account, the AEP Services Account, the Depositary Accounts, the Lock-Boxes and the Collection Account which are in the possession or under the control of the Servicer and (ii) to visit the offices and properties of the Servicer for the purpose of examining the materials described in clause (i) above, and to discuss matters relating to the Receivables, the Related Security with respect thereto and Collections or the performance by the Servicer of its obligations under this Agreement with any Authorized Officer of the Servicer having knowledge of such matters. The Administrative Agent may, and shall at the direction of the Majority Purchasers, conduct, or cause its agents or representatives to conduct, reviews of the types described in this Section 7.3(b) whenever the Administrative Agent or the Majority Purchasers, as applicable, reasonably deem any such review appropriate. During regular business hours upon reasonable prior notice, the Servicer shall permit each Funding Agent, at its own expense, to visit the offices and properties of the Servicer for the purpose of discussing the results of the reviews described in

clause (i) above, and to discuss matters relating to the Receivables, the Related Security with respect thereto and Collections or the performance by the Servicer of its obligations under this Agreement with any Authorized Officer of the Servicer having knowledge of such matters.

(c) [reserved].

(d) During a Weekly Reporting Period, on each Weekly Report Date, the Servicer shall deliver to the Administrative Agent and each Funding Agent a report substantially in the form of Exhibit H-1 (a “Weekly Report”), covering the weekly period since the immediately preceding Weekly Report Date together with each weekly report delivered to the Servicer by an Agent pursuant to an Agency Agreement.

(e) On each Monthly Report Date, the Servicer shall deliver to the Administrative Agent and each Funding Agent a report substantially in the form of Exhibit I (a “Monthly Report”) covering the Monthly Period most recently ended together with each monthly report delivered to the Servicer by an Agent pursuant to an Agency Agreement.

(f) During a Daily Reporting Period or a Capital Reduction Period (other than a Capital Reduction Period resulting solely from a Purchaser Group becoming a Non-extending Purchaser Group), or after the occurrence of a Seller Amortization Event or an Amortization Event, on each Business Day, the Servicer shall deliver to the Administrative Agent and each Funding Agent a report substantially in the form of Exhibit H-2 (a “Daily Report”) covering the immediately preceding Business Day.

SECTION 7.4 [Reserved].

SECTION 7.5 Calculations.

Without limiting the generality of the foregoing provisions of this Article VII, the Servicer shall perform all calculations necessary in order to determine payments to be made to the Purchasers and deposits to be made to the Concentration Account and the Collection Account in accordance with this Agreement.

SECTION 7.6 Servicing Fees.

The Transferor hereby agrees to reimburse the Servicer, as full compensation for its servicing activities hereunder, for any cost or expense incurred by it in connection therewith (such amounts being referred to as the “Monthly Servicing Fee”), with respect to each Monthly Period, payable in arrears on the related Settlement Date. Such Monthly Servicing Fee may be increased (with the consent of the Funding Agents) to provide additional servicing compensation to any Successor Servicer if necessary to reflect then-current market rates for servicing of comparable receivables at any time that American Electric Power Service Corporation is replaced as Servicer hereunder; provided that the compensation to any Successor Servicer shall not exceed 110% of such Successor Servicer’s costs and expenses of performing its duties hereunder. The Purchaser Monthly Servicing Fee shall be payable solely out of Collections available for such purpose pursuant to, and subject to the priority of payments set forth in, Section 2.2 or 2.3. The

remainder of the Monthly Servicing Fee shall be payable by Transferor on each Settlement Date and in no event shall the Administrative Agent, the Funding Agents or the Purchasers be liable for the share of the Monthly Servicing Fee to be paid by Transferor.

SECTION 7.7 Servicer Defaults.

If any one of the following events (a “Servicer Default”) shall occur and be continuing:

(a) any failure on the part of the Servicer to deliver any Monthly Report required under Section 7.3(e), any Weekly Report required under Section 7.3(d), any Daily Report required under Section 7.3(f) or any other report required to be delivered by it hereunder, in any case, within three (3) Business Days after such Monthly Report, Weekly Report, Daily Report or other report is due;

(b) any failure on the part of the Servicer, to make any payment, transfer or deposit, or to give instructions or to give notice to the Transferor to make such payment, transfer or deposit on or before the date such payment, transfer or deposit or such instruction or notice is required to be made or given, as the case may be, under the terms of this Agreement which failure continues unremedied for two (2) Business Days;

(c) failure on the part of the Servicer duly to observe and perform any other covenants or agreements of the Servicer set forth in this Agreement which failure continues unremedied for thirty (30) days after the earlier to occur of (i) the date upon which the Servicer obtains knowledge thereof or (ii) the date on which written notice thereof, requiring the same to be remedied, shall have been given to the Transferor and the Servicer by the Administrative Agent, or to the Transferor, the Servicer and the Administrative Agent by any Funding Agent;

(d) any representation, warranty or certification made by the Servicer in this Agreement or in any report or certificate delivered pursuant to this Agreement proves to have been incorrect in any material respect when made, which failure, if capable of being remedied, continues unremedied for thirty (30) days after the earlier to occur of (i) the date upon which the Servicer obtains knowledge thereof or (ii) the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Transferor and the Servicer by the Administrative Agent, or to the Transferor, the Servicer and the Administrative Agent by any Funding Agent;

(e) a Change of Control shall occur with respect to the Servicer (if American Electric Power Service Corporation or any of its Affiliates is the Servicer); or

(f) an Event of Bankruptcy occurs with respect to the Servicer.

then, in the event of any such Servicer Default, so long as the Servicer Default shall not have been remedied the Administrative Agent may, at the direction of the Majority Purchasers, by written notice then given to the Servicer (a “Termination Notice”), terminate all or any part of the rights and obligations of the Servicer as Servicer under this Agreement.

After receipt by the Servicer of a Termination Notice, and on the date that a Successor Servicer is appointed pursuant to Section 7.8, all authority and power of the Servicer under this Agreement (or, in the case of a partial transfer, such authority and power as is described in the Termination Notice) shall pass to and be vested in the Successor Servicer (a “Service Transfer”); and the Administrative Agent is hereby authorized and empowered, upon the failure of the Servicer to cooperate, to execute and deliver, on behalf of the Servicer, as attorney-in-fact or otherwise, all documents and other instruments and to do and accomplish all other acts or things necessary or appropriate to effect the purposes of such Service Transfer. The Servicer agrees to cooperate with the Transferor, the Administrative Agent and such Successor Servicer in effecting the termination of the responsibilities and rights of the Servicer to conduct servicing hereunder, including the transfer to such Successor Servicer of authority of the Servicer to perform the duties of the Servicer provided for under this Agreement and in assisting the Successor Servicer. The Servicer shall within five (5) Business Days of such Termination Notice transfer copies of any electronic records relating to the Receivables maintained by the Servicer on behalf of the Transferor to the Successor Servicer in such electronic form as the Successor Servicer may reasonably request and the Transferor shall promptly transfer to the Successor Servicer all other records, correspondence and documents necessary for such Successor Servicer to perform its obligations hereunder in the manner and at such times as the Successor Servicer shall reasonably request. To the extent that compliance with this Section 7.7 requires the Servicer to disclose to the Successor Servicer information of any kind that the Servicer deems to be confidential, the Successor Servicer shall be required to enter into such customary licensing and confidentiality agreements as the Servicer deems reasonably necessary to protect its interests. The Servicer being terminated (or replaced in part) shall bear all costs of the appointment of a Successor Servicer hereunder, including, without limitation, the costs of amending the Transaction Documents, if necessary.

SECTION 7.8 Appointment of Successor.

(a) On and after the receipt by the Servicer of a Termination Notice pursuant to Section 7.7, the Servicer shall continue to perform all its duties under this Agreement until the date specified in the Termination Notice or otherwise specified by the Transferor or until a date mutually agreed upon by the Servicer and the Transferor. The Transferor shall select, as promptly as possible after the giving of a Termination Notice, an Eligible Servicer as a successor servicer (the “Successor Servicer”), and such Successor Servicer shall accept its appointment by a written assumption in a form acceptable to the Funding Agents. If a Successor Servicer has not been appointed or has not accepted its appointment at the time when the Servicer ceases to act as Servicer, the Transferor shall petition at the expense of the Servicer a court of competent jurisdiction to appoint any established institution qualifying as an Eligible Servicer as the Successor Servicer hereunder.

(b) Upon its appointment, the Successor Servicer shall be the successor in all respects to the Servicer with respect to its duties under this Agreement and shall be subject to all the responsibilities, duties and liabilities relating thereto placed on the Servicer by the terms and provisions hereof, and all references in this Agreement to the Servicer shall be deemed to refer to the Successor Servicer. Notwithstanding the foregoing, or anything in this Section 7.8 to the contrary, the Successor Servicer shall have no responsibility or obligation (i) for any

representation or warranty of the predecessor Servicer or any other Successor Servicer hereunder or (ii) for any act or omission of either a predecessor or any other Successor Servicer. No Successor Servicer shall be deemed to be in default hereunder due to any act or omission of a predecessor Servicer.

(c) All authority and power granted to the Servicer under this Agreement shall automatically cease and terminate upon termination of this Agreement, and shall pass to and be vested in the Transferor, and the Transferor is hereby authorized and empowered to execute and deliver, on behalf of the Servicer, as attorney-in-fact or otherwise, all documents and other instruments, and to do and accomplish all other acts or things necessary or appropriate to effect the purposes of such transfer of servicing rights. The Servicer agrees to cooperate with the Transferor in effecting the termination of the responsibilities and rights of the Servicer hereunder. The Servicer shall transfer its electronic records relating to the Receivables to the Transferor or its designee in such electronic form as it may reasonably request and shall transfer all other records, correspondence and documents to it in the manner and at such times as it shall reasonably request.

ARTICLE VIII [RESERVED]

ARTICLE IX AMORTIZATION EVENTS

SECTION 9.1 Amortization Events.

Upon the occurrence and continuance of any of the following events:

(a) failure on the part of the Servicer to direct any payments required by the Transaction Documents to be distributed or paid by the Transferor to or for the benefit of the Purchasers, or failure on the part of the Transferor to distribute or pay such amounts when due to be paid or distributed, which failure, in each case, remains unremedied for one (1) Business Day;

(b) failure on the part of the Transferor duly to perform or observe any covenants or agreements of the Transferor not described above and set forth in this Agreement, which failure continues unremedied for ten (10) days after the earlier to occur of (i) the date upon which the Transferor obtains knowledge of such failure or (ii) the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Transferor by the Administrative Agent, or to the Transferor, the Servicer and the Administrative Agent by any Funding Agent;

(c) any representation or warranty made by the Transferor in this Agreement proves to have been incorrect in any material respect when made or when delivered which failure, if capable of being remedied, continues unremedied for 10 days after the earlier to occur of (i) the date upon which the Transferor obtains knowledge thereof or (ii) the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the

Transferor by the Administrative Agent or to the Transferor, the Servicer and the Administrative by any Funding Agent;

(d) a Servicer Default;

(e) the Purchaser Interests of the Purchasers exceed in the aggregate 100% (i) on any Capital Payment Date (after giving effect to any payments to the Purchasers on such Capital Payment Date) or (ii) for four (4) consecutive Business Days;

(f) the failure to vest and maintain in the Transferor a perfected first priority ownership interest in the Receivables, Collections and proceeds thereof (subject to Permitted Liens);

(g) the failure to vest and maintain in the Administrative Agent on behalf of the Purchasers a perfected first priority security interest in the Receivables, Collections and the proceeds thereof and any portion of the Related Security with respect thereto in which a security interest can be created under Article 9 of the UCC and perfected by filing or by the taking of any other actions required under this Agreement, subject to Permitted Liens;

(h) either (i) the Internal Revenue Service files notice of a lien pursuant to Section 6323 of the Code with respect to any of the Receivables, the Related Security with respect thereto and Collections, or, if released, proved to the satisfaction of each Funding Agent, or (ii) the PBGC files, or indicates its intention to file a notice of a lien pursuant to Section 4068 of ERISA with respect to any of the Receivables, the Related Security with respect thereto or Collections;

(i) any material provision of this Agreement or any related documents cease, for any reason, to be in full force and effect, other than in accordance with its terms or to be the legally valid, binding and enforceable obligation of the Transferor or the Servicer;

(j) an Event of Bankruptcy shall occur with respect to the Transferor or the Servicer;

(k) Transferor shall be required to register as an "investment company" under the Investment Company Act of 1940 or shall rely solely on the exemption from the definition of "investment company" in Section 3(c)(1) and/or 3(c)(7) of the Investment Company Act of 1940;

(l) a Change of Control shall have occurred with respect to the Transferor or the Servicer;

(m) failure of the Transferor to pay any Indebtedness when due (excluding, however, Indebtedness comprised of routine operating expenses (excluding interest) and taxes which in the aggregate do not exceed (i) \$500,000 in the case of such amounts due to Affiliates of the Transferor, or (ii) \$10,000 in the case of all other such amounts) or the existence of any event or condition under any agreement under which any such Indebtedness was created or is governed, if the effect of such event or condition is to cause, or to permit the holder or holders of such Indebtedness to cause, such Indebtedness to become due prior to its stated maturity; or any

such Indebtedness of the Transferor shall be declared to be due and payable or required to be prepaid (other than by a regularly scheduled payment) prior to the date of maturity thereof;

(n) any final nonappealable judgment or order for the payment of money shall be rendered against the Transferor and remain unsatisfied for a period in excess of one (1) Business Day;

(o) the ratio of Consolidated Debt to Consolidated Capital of the Parent shall exceed .675 to 1.00 as of the last day of any March, June, September or December;

(p) on any date of determination, three (3) or more Sellers, or Sellers who have originated Receivables aggregating more than 40% of the Aggregate Receivables Balance on such date, shall fail to be Eligible Sellers on such date; or

(q) Any Person shall be appointed as an Independent Director of the Transferor without prior notice thereof having been given to the Administrative Agent in accordance with Section 6.1(p)(viii).

then, in any such event, at the direction of the Majority Purchasers, the Administrative Agent by notice then given in writing to Transferor and the Servicer may declare that an Amortization Event (an "Amortization Event") has occurred as of the date of such notice; provided, that in the case of any event described in clause (j) or (k), an Amortization Event shall be deemed to have occurred immediately upon the occurrence of such event. After the occurrence of an Amortization Event, the Administrative Agent, at the direction of the Majority Purchasers, may deliver a Control Notice with respect to the Concentration Account, the Depositary Accounts and the AEP Services Account, and direct the Concentration Account Bank, the Depositary Account Banks and the AEP Services Account Bank to remit all Collections on deposit therein to the Collection Account on a daily basis. The aforementioned rights and remedies shall be without limitation, and shall be in addition to all other rights and remedies of the Administrative Agent and the Purchasers otherwise available under any other provision of this Agreement, by operation of law, at equity or otherwise, all of which are hereby expressly preserved, including, without limitation, all rights and remedies provided under the UCC, all of which rights shall be cumulative.

SECTION 9.2 Enforcement of First-Tier Agreements.

Except as otherwise expressly provided in this Agreement, if any default occurs in the making of any payment or performance under any First-Tier Agreement or any other Transaction Document, the Administrative Agent may, and upon the request of the Majority Purchasers shall, take such action as may be appropriate to enforce such payment or performance, including the institution and prosecution of appropriate proceedings.

ARTICLE X INDEMNIFICATION

SECTION 10.1 Transferor Indemnities.

Without limiting any other rights that the Indemnified Parties may have hereunder or under applicable law, the Transferor hereby agrees to indemnify each Indemnified Party from and against any and all damages, losses, claims, taxes, liabilities, costs, expenses and for all other amounts payable, including reasonable attorneys' fees (which attorneys may be employees of the Administrative Agent, any Funding Agent or such Indemnified Party) and disbursements (all of the foregoing being collectively referred to as "Indemnified Amounts") awarded against or incurred by any of them arising out of or as a result of this Agreement, or any other Transaction Document or the acquisition, either directly or indirectly, by a Purchaser of an interest in any Receivables sold hereunder, excluding, however:

- (a) Indemnified Amounts to the extent a final judgment of a court of competent jurisdiction holds that such Indemnified Amounts resulted from gross negligence or willful misconduct on the part of the Indemnified Party seeking indemnification;
- (b) Indemnified Amounts to the extent the same includes losses in respect of Receivables that are uncollectible on account of the insolvency, bankruptcy or lack of creditworthiness of the related Obligor; or
- (c) taxes imposed by the United States, by the jurisdiction in which such Indemnified Party's principal executive office is located, or by any other jurisdiction in the United States where such Indemnified Party has established a taxable nexus other than in connection with the transactions contemplated by the Transaction Documents, on or measured by the overall net income of such Indemnified Party;

provided, however, that nothing contained in this sentence shall limit the liability of the Transferor, or limit the recourse of the Indemnified Parties to the Transferor, for amounts otherwise specifically provided to be paid by the Transferor under the terms of this Agreement or any other Transaction Document. Without limiting the generality of the foregoing indemnification, the Transferor shall indemnify the Indemnified Parties for Indemnified Amounts (including, without limitation, losses in respect of uncollectible Receivables, regardless of whether reimbursement therefor would constitute recourse to the Transferor) relating to or resulting from:

- (i) any representation or warranty made by the Transferor (or any officers of the Transferor) under or in connection with this Agreement, any other Transaction Document or any other information or report delivered by the Transferor pursuant hereto or thereto, which shall have been false or incorrect when made or deemed made;
- (ii) the failure by the Transferor to comply with any applicable law, rule or regulation with respect to any Receivable or Contract related thereto, or the nonconformity of any Receivable or Contract included therein with any such applicable law, rule or regulation;
- (iii) any failure of the Transferor to perform its duties, covenants or other obligations in accordance with the provisions of this Agreement or any other Transaction Document;

(iv) any products liability, personal injury or damage suit, or other similar claim arising out of or in connection with merchandise, or services that are the subject of any Contract or any Receivable;

(v) any dispute, claim, offset or defense (other than discharge in bankruptcy of the Obligor) of the Obligor to the payment of any Receivable (including, without limitation, a defense based on such Receivable or the related Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from the sale of the merchandise or services related to such Receivable or the furnishing or failure to furnish such merchandise or services;

(vi) the commingling of Collections of Receivables at any time with other funds (including, without limitation, funds constituting Collections with respect to Receivables originated by multiple Sellers);

(vii) any investigation, litigation or proceeding related to or arising from this Agreement or any other Transaction Document, the transactions contemplated hereby, the use of the proceeds of any transfer of a Purchaser Interest hereunder or any other amounts distributed to the Transferor in respect of the Receivables sold hereunder, the ownership by the Purchasers of the Purchaser Interests sold hereunder or any other investigation, litigation or proceeding relating to the Transferor, the Servicer or any Seller in which any Indemnified Party becomes involved as a result of any of the transactions contemplated hereby;

(viii) any inability to litigate any claim against any Obligor in respect of any Receivable as a result of such Obligor being immune from civil and commercial law and suit on the grounds of sovereignty or otherwise from any legal action, suit or proceeding;

(ix) the Purchaser Interests of the Purchasers exceeding in the aggregate 100%;

(x) any failure of the Transferor to acquire and maintain legal and equitable title to, and ownership of any Receivable and the Related Security and Collections with respect thereto from any Seller, free and clear of any Lien (other than as created under the Transaction Documents); or any failure of the Transferor to give reasonably equivalent value to any Seller under any Purchase Agreement in consideration of the transfer by such Seller of any Receivable, or any attempt by any Person to void such transfer under statutory provisions or common law or equitable action;

(xi) any failure to vest and maintain vested in the Administrative Agent for the benefit of the Purchasers a first priority perfected security interest in the Receivables, the Related Security and the Collections, free and clear of any Lien (except as created by the Transaction Documents);

(xii) the failure to have filed, or any delay in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or

other applicable laws with respect to any Receivable, the Related Security and Collections with respect thereto, and the proceeds of any thereof;

(xiii) any action or omission by the Transferor which reduces or impairs the rights of the Indemnified Parties with respect to any Receivable or the value of any such Receivable; or

(xiv) any investigation, litigation or proceeding arising from or in connection with the OPC Intercreditor Agreement, the OPC Servicing Agreement or any other Initial Bond Agreement (as defined in the OPC Intercreditor Agreement), the transactions contemplated thereby.

SECTION 10.2 [Reserved].

SECTION 10.3 Servicer Indemnities.

Without limiting any other rights that the Indemnified Parties may have hereunder or under applicable law, the Servicer hereby agrees to indemnify (and pay upon demand to) each Indemnified Party for Indemnified Amounts awarded against or incurred by any of them arising out of, or as a result of:

(i) any representation or warranty made by any of the Servicer (or any officers of the Servicer) under or in connection with this Agreement, any other Transaction Document or any other information or report delivered by the Servicer pursuant hereto or thereto, which shall have been false or incorrect when made or deemed made;

(ii) any failure of the Servicer to perform its duties, covenants or other obligations in accordance with the provisions of this Agreement or any other Transaction Document;

(iii) the commingling by the Servicer of Collections of Receivables at any time with other funds (including, without limitation, funds constituting Collections with respect to Receivables originated by multiple Sellers);

(iv) any investigation, litigation or proceeding related to or arising from the Servicer and this Agreement or any other Transaction Document or any other investigation, litigation or proceeding relating to the Servicer in which any Indemnified Party becomes involved as a result of any of the transactions contemplated hereby;

(v) any action or omission by the Servicer which reduces or impairs the rights of the Indemnified Parties with respect to any Receivable or the value of any such Receivable; or

(vi) any investigation, litigation or proceeding arising from or in connection with the OPC Intercreditor Agreement, the OPC Servicing Agreement or any other Initial Bond Agreement (as defined in the OPC Intercreditor Agreement) or the transactions contemplated thereby;

excluding, however:

- (a) Indemnified Amounts to the extent a final judgment of a court of competent jurisdiction holds that such Indemnified Amounts resulted from gross negligence or willful misconduct on the part of the Indemnified Party seeking indemnification;
- (b) Indemnified Amounts to the extent the same includes losses in respect of Receivables that are uncollectible on account of the insolvency, bankruptcy or lack of creditworthiness of the related Obligor; or
- (c) taxes imposed by the United States, by the jurisdiction in which such Indemnified Party's principal executive office is located, or by any other jurisdiction in the United States where such Indemnified Party has established a taxable nexus other than in connection with the transactions contemplated by the Transaction Documents, on or measured by the overall net income of such Indemnified Party;

provided, however, that nothing contained in this sentence shall limit the liability of the Servicer, or limit the recourse of the Indemnified Parties to the Servicer, for amounts otherwise specifically provided to be paid by the Servicer under the terms of this Agreement or any other Transaction Document.

SECTION 10.4 Increased Cost and Reduced Return.

(a) If any Regulatory Requirement (i) subjects any Purchaser or any Funding Source to any charge or withholding on or with respect to any Funding Agreement or this Agreement or a Purchaser's or Funding Source's obligations under a Funding Agreement or this Agreement, or on or with respect to the Receivables, or changes the basis of taxation of payments to any Purchaser or any Funding Source of any amounts payable under any Funding Agreement or this Agreement (except for changes in the rate of tax on the overall net income of a Purchaser or Funding Source or taxes excluded by Section 10.7), (ii) imposes, modifies or deems applicable any reserve, assessment, fee, tax, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or liabilities of a Funding Source or a Purchaser, or credit extended by a Funding Source or a Purchaser pursuant to a Funding Agreement or this Agreement or (iii) imposes any other condition the result of which is to increase the cost to a Funding Source or a Purchaser of performing its obligations under a Funding Agreement or this Agreement, or to reduce the rate of return on a Funding Source's or Purchaser's capital or assets as a consequence of its obligations under a Funding Agreement or this Agreement, or to reduce the amount of any sum received or receivable by a Funding Source or a Purchaser under a Funding Agreement or this Agreement, or to require any payment calculated by reference to the amount of interests or loans held or interest received by it, then, upon demand by the related Funding Agent, Transferor shall pay to such Funding Agent, for the benefit of the relevant Funding Source or Purchaser, such amounts charged to such Funding Source or Purchaser or such amounts to otherwise compensate such Funding Source or such Purchaser for such increased cost or such reduction. The term "Regulatory Requirement" shall mean (A) the adoption after the date hereof of any applicable law, rule or regulation (including any applicable law, rule or regulation regarding capital adequacy or liquidity coverage) or any

change therein after the date hereof, (B) any change after the date hereof in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or (C) compliance with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency; provided, however, that for purposes of this definition, (x) the United States bank regulatory rule titled Risk-Based Capital Guidelines; Capital Adequacy Guidelines; Capital Maintenance; Regulatory Capital; Impact of Modification to Generally Accepted Accounting Principles; Consolidation of Asset-Backed Commercial Paper Programs; and Other Related Issues, adopted on December 15, 2009, (y) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder, issued in connection therewith or in implementation thereof, and (z) all requests, rules, guidelines and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel II or Basel III, shall in each case be deemed to be a "Regulatory Requirement", regardless of the date enacted, adopted, issued or implemented. Transferor acknowledges that any Purchaser or Funding Source may institute measures in anticipation of a Regulatory Requirement (including, without limitation, the imposition of internal charges on such Purchaser's interests or obligations under this Agreement), and may commence allocating charges to or seeking compensation from Transferor under this Section 10.4 in connection with such measures, in advance of the effective date of such Regulatory Requirement, and Transferor agrees to pay such charges or compensation to the applicable Funding Agent, for the benefit of such Purchaser or Funding Source, following demand therefor without regard to whether such effective date has occurred; provided that any Purchaser or Funding Source seeking compensation under this sentence with respect to increased costs or reduced return resulting from the liquidity coverage ratio requirements ("LCR Increased Costs") shall give 60 days prior written notice to the Transferor of its intention to seek reimbursement for such LCR Increased Costs, and the Transferor shall not be required to compensate such Purchaser or Funding Source for any LCR Increased Costs incurred or suffered by such Purchaser or Funding Source during such 60 day period. Transferor further acknowledges that any charge or compensation demanded hereunder may take the form of a monthly charge to be assessed by such Purchaser.

(b) A certificate of the applicable Purchaser or Funding Source setting forth the amount or amounts necessary to compensate such Purchaser or Funding Source pursuant to paragraph (a) of this Section 10.4 shall be delivered to the Transferor and shall be conclusive absent manifest error. The Transferor shall pay such Purchaser or Funding Source the amount as due on any such certificate on the next Settlement Date following receipt of such notice.

(c) If any Purchaser or any Funding Source has or anticipates having any claim for compensation from the Transferor pursuant to paragraph (a) of this Section 10.4, and such Purchaser or Funding Source believes that having the facility publicly rated by one credit rating agency would reduce the amount of such compensation by an amount deemed by such Purchaser or Funding Source to be material, such Purchaser or Funding Source shall provide written notice to the Transferor and the Servicer (a "Ratings Request") that such Purchaser or Funding Source intends to request a public rating of the facility from one credit rating agency selected by such Purchaser or Funding Source and reasonably acceptable to the Transferor, of at

least “AA” (or its equivalent) (the “Required Rating”). The Transferor and the Servicer agree that they shall cooperate with such Purchaser’s or Funding Source’s efforts to obtain the Required Rating, and shall provide the applicable credit rating agency (either directly or through distribution to the Administrative Agent, Funding Agent, Purchaser or Funding Source), any information requested by such credit rating agency for purposes of providing and monitoring the Required Rating. The Purchaser or Funding Source making a Ratings Request shall pay the initial fees payable to the credit rating agency for providing the rating and all ongoing fees payable to the credit rating agency for their continued monitoring of the rating. Nothing in this Section 10.4(c) shall preclude any Purchaser or Funding Source from demanding compensation from the Transferor pursuant to Section 10.4(a) hereof at any time and without regard to whether the Required Rating shall have been obtained, or shall require any Purchaser or Funding Source to obtain any rating on the facility prior to demanding any such compensation from the Transferor.

(d) In the event that any Purchaser or any Funding Source shall have delivered a notice or certificate pursuant to Section 10.4(b), or the Transferor shall be required to make additional payments to any Purchaser or any Funding Source under Section 10.4(a), the Transferor shall have the right, at its own expense, upon notice to such Purchaser, to require each Purchaser and the Funding Agent in such Purchaser’s Purchaser Group to transfer and assign pursuant to an Assignment Agreement (in accordance with and subject to the restrictions contained in this Section 10.4(d)) all such Person’s interests, rights and obligations under this Agreement to another financial institution (or, in the case of any Conduit Purchaser, to any issuer of commercial paper notes) identified by the Transferor and approved by the Administrative Agent (which approval shall not be unreasonably withheld, it being understood that such approval right shall belong to any replacement Administrative Agent to the extent that JPMorgan is replaced as Administrative Agent in accordance with the last sentence of Section 11.9(a)), which assignee shall assume such obligations of each such Purchaser for consideration equal to the outstanding amount of the Capital of such Purchaser’s Purchaser Interests, plus all yield and fees accrued hereunder to the date of such transfer and all other amounts payable hereunder to such Purchaser on or prior to the date of such transfer; *provided* that (i) no Amortization Event shall have occurred and be continuing, (ii) no such assignment shall conflict with any law, rule or regulation or order of any governmental authority and (iii) the Transferor shall have paid to the assignor in immediately available funds on or prior to the date of such assignment all amounts accrued for the account of such Purchaser or owed to it under Section 10.4(a).

SECTION 10.5 Other Costs and Expenses.

The Transferor shall pay to the Administrative Agent, each Funding Agent and each Conduit Purchaser on demand all reasonable costs and out-of-pocket expenses in connection with the preparation, execution, delivery and administration of this Agreement and the other Transaction Documents, the transactions contemplated hereby and thereby and the other documents to be delivered hereunder and thereunder, including without limitation, (a) the cost of each Funding Agent’s independent and internal auditors auditing the books, records and procedures of the Transferor (*provided, however*, that the Transferor shall not be liable for the cost of more than one (1) such independent audit by the Administrative Agent or its designee of

each Seller, the Servicer and the Transferor in any calendar year unless an Amortization Event or Servicer Default has occurred or in the case of an audit of any Seller, a Seller Amortization Event or Agent Default has occurred in respect of such Seller or the results of the previous audit conducted by the Administrative Agent were unacceptable to the Majority Purchasers), (b) reasonable fees and out-of-pocket expenses of legal counsel (which such counsel may be employees of such Person) with respect thereto and with respect to advising such parties as to their respective rights and remedies under this Agreement and the other Transaction Documents (provided, however that the Transferor shall not be responsible for the reasonable fees and out-of-pocket expenses of more than one legal counsel to represent each Purchaser, each Funding Agent and the Administrative Agent in connection with the preparation, execution, and delivery of this Agreement and the other Transaction Documents). The Transferor shall pay to the each Funding Agent and the Administrative Agent any and all reasonable costs and expenses of such Funding Agent and the Administrative Agent and the Purchasers, if any, including reasonable counsel fees and expenses in connection with the enforcement of this Agreement, the other Transaction Documents and the other documents delivered hereunder and thereunder and in connection with any restructuring or workout of this Agreement, the other Transaction Documents or such other documents, or the administration of this Agreement or any other Transaction Document following an Amortization Event, a Seller Amortization Event, an Agent Default or a Servicer Default.

SECTION 10.6 Funding Losses.

(a) If, for any reason, (i) a reduction in Capital with respect to any CP Tranche with respect to a Match Funding Conduit Purchaser or any Eurodollar Tranche shall occur on any date which is not the last day of the applicable Tranche Period or is made in an amount greater than the amount specified in any repayment notice, (ii) a reduction in Capital with respect to any CP Tranche or any Eurodollar Tranche (x) shall occur without compliance with the Required Notice Period or (y) shall fail to occur on the date specified by the Transferor in any Reduction Notice delivered pursuant to Section 1.3(a), or (iii) any assignment is made by a Conduit Purchaser (A) in accordance with Section 1.7, or (B) to a Committed Purchaser or a Program Support Provider of any portion of its Purchaser Interest on any date which is not the last day of the applicable Tranche Period, the Transferor shall compensate the applicable Funding Agent, for the account of each affected Purchaser in its Purchaser Group, upon demand, for all funding losses incurred as a result of such action by paying to such Funding Agent an amount equal to the sum of (x) the amount of interest which would have accrued on the relevant Tranche but for such payment or assignment through the last day of the relevant Tranche Period less the interest earned by such affected Purchaser by investing such funds and (y) all reasonable out-of-pocket expenses which such affected Purchaser may sustain or incur as a consequence of such prepayment.

(b) In addition to the foregoing, the Transferor shall compensate each Funding Agent, for the account of each affected Purchaser in its Purchaser Group, for all losses, expenses and liabilities on account of any liquidation or reemployment of deposits or other funds acquired by such party to make, fund or maintain a Tranche in respect of its Purchaser Interest, (i) if the Transferor shall fail to accept the proceeds of any Incremental Purchase after irrevocable written notice thereof has been given to the Funding Agents, (ii) if for any reason any conversion of

principal of any CP Tranche with respect to a Match Funding Conduit Purchaser or Eurodollar Tranche occurs on a date which is not the last day of the Tranche Period for such Tranche or payment of principal of any CP Tranche with respect to a Pool Funding Conduit Purchaser occurs on a date other than as specified in any prepayment notice or (iii) as a consequence of any required conversion of any CP Tranche or Eurodollar Tranche to another type of Tranche prior to the last day of the Tranche Period for the relevant Tranche. A certificate setting forth in reasonable detail the reasons for and the amount of such demand submitted to the Transferor by any Funding Agent, on behalf of each affected Purchaser in its Purchaser Group, shall be conclusive, absent manifest error.

SECTION 10.7 Taxes.

(a) All payments made by Transferor under this Agreement or the Fee Letter to or for the benefit of any Indemnified Party shall be made, to the extent allowed by law, free and clear of, and without deduction or withholding for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority having taxing authority (excluding taxes described in Section 10.1(c); all such non-excluded taxes, levies, imposts, duties, charges, fees, deductions and withholdings being hereinafter called “Taxes”). If any Taxes are required to be withheld from any amounts payable to the Purchasers hereunder, (i) the sum payable shall be increased as may be necessary so that, after making all required deductions (including deductions applicable to additional sums payable under this Section 10.7), the relevant Purchaser receives an amount equal to the sum it would have received had no such deductions been made, (ii) Transferor shall make such deductions, and (iii) Transferor shall pay the full amount deducted to the relevant taxing authority or other authority in accordance with applicable law.

(b) In addition, Transferor agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges, or similar levies that arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to any Funding Agreement (hereinafter “Other Taxes”).

(c) Subject to the provisions set forth in this Section 10.7, Transferor will indemnify each Indemnified Party for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 10.7) paid by such Indemnified Party and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, provided, that any Indemnified Party, in making a demand for indemnity, shall provide Transferor with a certificate from the relevant taxing authority or from a responsible officer of such Indemnified Party stating or otherwise evidencing that such Indemnified Party has made payment of such Taxes or Other Taxes and will provide a copy of or extract from documentation, if available, furnished by such taxing authority evidencing assertion or payment of such Taxes or Other Taxes. Whenever any Taxes are payable by Transferor, within thirty (30) days thereafter Transferor shall send to the applicable Indemnified Party a certified copy of an original official receipt received by Transferor showing payment thereof. If Transferor fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to applicable Indemnified Party the required receipts or other

required documentary evidence, Transferor shall indemnify such Indemnified Party for any incremental Taxes, interest or penalties that such Indemnified Party is legally required to pay as a result of any such failure. The agreements in this subsection shall survive the termination of this Agreement.

(d) On or before the date it becomes a Purchaser hereunder (and, so long as it may properly do so, periodically thereafter, as may be required by applicable law, to keep forms up to date), any Purchaser that is organized under the laws of a jurisdiction outside the United States of America shall deliver to Transferor and the Servicer any certificates, documents or other evidence that shall be required by the Internal Revenue Code or Treasury Regulations issued pursuant thereto to establish its exemption from existing United States Federal withholding requirements, including (i) two original copies of Internal Revenue Service Form W-8BEN or Form W-8ECI or successor applicable form, properly completed and duly executed by such Purchaser certifying that it is entitled to receive payments under this Agreement without deduction or withholding of any United States Federal income taxes.

(e) If a payment made to a Purchaser under any Transaction Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Purchaser were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Purchaser shall deliver to the Transferor and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Transferor or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Transferor or the Administrative Agent as may be necessary for the Transferor and the Administrative Agent to comply with their obligations under FATCA and to determine that such Purchaser has complied with such Purchaser's obligations under FATCA or to determine the amount to deduct and withhold from such payment.

(f) If any such Purchaser fails to comply with Section 10.7(d), amounts payable to such Purchaser under this Section 10.7 shall be limited to amounts that would have been payable under this section if such Purchaser had so complied.

SECTION 10.8 Funding Source and CP Issuer Indemnities.

If a Conduit Purchaser becomes obligated to compensate any Funding Source or CP Issuer under its commercial paper program as a result of any events or circumstances similar to those described in Section 10.4, 10.6, 10.7 or 10.10 the applicable Funding Agent for such Conduit Purchaser shall promptly deliver to Transferor a certificate setting forth in reasonable detail the computation of such amounts (which shall be allocated to Transferor based on the portion of such compensation attributable to Transferor's receipt of or right to receive funds under this Agreement). In the absence of manifest error, such certificate shall be conclusive and binding for all purposes. Transferor shall be obligated to pay to such Funding Agent, for the account of such Conduit Purchaser, such additional amounts as maybe necessary to pay or reimburse such Conduit Purchaser for any amounts so paid or payable by such Conduit Purchaser. With respect to amounts to be paid pursuant to this Section 10.8 as a result of any

events or circumstances similar to those described in Section 10.4 or 10.7, the applicable Conduit Purchaser shall request the party to be compensated to use its reasonable efforts to mitigate the effect upon Transferor of any such increased costs or capital requirements; provided, such party shall not be obligated to take any action that it determines would be disadvantageous to it or inconsistent with its policies.

SECTION 10.9 Payment of Indemnity Amounts.

All Indemnity Amounts owed pursuant to this Article X shall be paid by Transferor as promptly as possible after demand is made therefor to the extent of available funds (which shall include any funds available to Transferor due to a right or claim Transferor has against a third party) in accordance with Section 2.2 or 2.3.

ARTICLE XI
ADMINISTRATIVE AGENT AND FUNDING AGENTS

SECTION 11.1 Authorization and Action of Administrative Agent.

Each Purchaser and each Funding Agent hereby designates and appoints JPMorgan Chase Bank, N.A. to act as its agent hereunder and under each other Transaction Document, and authorizes the Administrative Agent to take such actions as agent on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms of this Agreement and the other Transaction Documents together with such powers as are reasonably incidental thereto. The Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein or in any other Transaction Document, or any fiduciary relationship with any Purchaser or any Funding Agent, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of the Administrative Agent shall be read into this Agreement or any other Transaction Document or otherwise exist for the Administrative Agent. In performing its functions and duties hereunder and under the other Transaction Documents, the Administrative Agent shall act solely as agent for the Purchasers and the Funding Agents and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for Transferor, the Servicer or any of such Person's successors or assigns. The Administrative Agent shall not be required to take any action that exposes the Administrative Agent to personal liability or that is contrary to this Agreement, any other Transaction Document or applicable law. The appointment and authority of the Administrative Agent hereunder shall terminate upon the indefeasible payment in full of all amounts owed to the Purchasers, the Funding Agents, the Administrative Agent and the other Indemnified Parties hereunder or any other Transaction Document. Each Purchaser and Funding Agent hereby authorizes the Administrative Agent to execute the OPC Intercreditor Agreement. Each Purchaser and Funding Agent hereby agrees to be bound by the terms of, and the Administrative Agent's covenants, agreements, waivers and acknowledgements under, the OPC Intercreditor Agreement.

SECTION 11.2 Authorization and Action of Funding Agents.

Each Purchaser in each Purchaser Group hereby designates and appoints the Funding Agent for such Purchaser Group to act as its agent hereunder and under each other Transaction

Document, and authorizes such Funding Agent to take such actions as agent on its behalf and to exercise such powers as are delegated to such Funding Agent by the terms of this Agreement and the other Transaction Documents together with such powers as are reasonably incidental thereto. No Funding Agent shall have any duties or responsibilities, except those expressly set forth herein or in any other Transaction Document, or any fiduciary relationship with any Purchaser, and no implied covenants, functions, responsibilities, duties, obligations or liabilities on the part of any Funding Agent shall be read into this Agreement or any other Transaction Document or otherwise exist for any Funding Agent. In performing its functions and duties hereunder and under the other Transaction Documents, each Funding Agent shall act solely as agent for the Purchasers in its Purchaser Group and does not assume nor shall be deemed to have assumed any obligation or relationship of trust or agency with or for the Transferor, the Servicer, any other Funding Agent, any Purchaser in any other Purchaser Group, the Administrative Agent or any of such Person's successors or assigns. No Funding Agent shall be required to take any action that exposes such Funding Agent to personal liability or that is contrary to this Agreement, any other Transaction Document or applicable law. The appointment and authority of each Funding Agent hereunder shall terminate upon the indefeasible payment in full of all amounts owed to the Purchasers in its Purchaser Group and such Funding Agent hereunder or any other Transaction Document.

SECTION 11.3 Delegation of Duties.

Each of the Administrative Agent and each Funding Agent may execute any of its duties under this Agreement and each other Transaction Document by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. None of the Administrative Agent or any Funding Agents shall be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

SECTION 11.4 Exculpatory Provisions.

None of the Administrative Agent, any Funding Agent or any of its respective directors, officers, agents or employees shall be (i) liable for any action lawfully taken or omitted to be taken by it or them under or in connection with this Agreement or any other Transaction Document (except for its, their or such Person's own gross negligence or willful misconduct), or (ii) responsible in any manner to any of the Purchasers for any recitals, statements, representations or warranties made by the Transferor or the Servicer contained in this Agreement, any other Transaction Document or any certificate, report, statement or other document referred to or provided for in, or received under or in connection with, this Agreement, or any other Transaction Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement, or any other Transaction Document or any other document furnished in connection herewith or therewith, or for any failure of any of the Transferor or the Servicer to perform its obligations hereunder or thereunder, or for the satisfaction of any condition specified in Article V, or for the perfection, priority, condition, value or sufficiency of any collateral pledged in connection herewith. None of the Administrative Agent or any Funding Agent shall be under any obligation to any Purchaser, any Funding Agent or the Administrative Agent to ascertain or to inquire as to the observance or performance of any of the agreements or

covenants contained in, or conditions of, this Agreement or any other Transaction Document, or to inspect the properties, books or records of the Transferor, any Seller or the Servicer. None of the Administrative Agent or any Funding Agent shall be deemed to have knowledge of any Amortization Event, Seller Amortization Event, Agent Default, Servicer Default or any event that with the giving of notice or lapse of time or both would constitute such an Amortization Event, Seller Amortization Event, Agent Default or Servicer Default unless such Person has received notice from the Transferor, the Servicer, the Administrative Agent, a Funding Agent or a Purchaser.

SECTION 11.5 Reliance by Agent.

Each of the Administrative Agent and each Funding Agent shall in all cases be entitled to rely, and shall be fully protected in relying, upon any document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Transferor), independent accountants and other experts selected by such Person. Each of the Administrative Agent and each Funding Agent shall in all cases be fully justified in failing or refusing to take any action under this Agreement or any other Transaction Document unless it shall first receive such advice or concurrence of the required Persons (which, in the case of the Administrative Agent, shall be the Majority Purchasers) as it deems appropriate and it shall first be indemnified to its satisfaction by such Persons, provided that unless and until the Administrative Agent or applicable Funding Agent, as applicable, shall have received such advice, it may take or refrain from taking any action, as it shall deem advisable and in the best interests of the Purchasers. Each of the Administrative Agent and each Funding Agent shall in all cases be fully protected in acting, or in refraining from acting, in accordance with a request of such required Persons and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Purchasers and the Funding Agents, in the case of an action taken by the Administrative Agent, and all the Purchasers in the related Purchaser Group, in the case of an action taken by any Funding Agent.

SECTION 11.6 Non-Reliance on Administrative Agent, Funding Agents and Other Purchasers.

Each Purchaser expressly acknowledges that none of the Administrative Agent, any Funding Agent, nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by the Administrative Agent or any Funding Agent hereafter taken, including, without limitation, any review of the affairs of the Transferor, any Seller or the Servicer, shall be deemed to constitute any representation or warranty by the Administrative Agent or such Funding Agent, as applicable. Each Purchaser represents and warrants to the Administrative Agent and each Funding Agent that it has and will, independently and without reliance upon the Administrative Agent, any Funding Agent or any other Purchaser and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, prospects, financial and other conditions and creditworthiness of Transferor, each Seller and the Servicer and made its own decision to enter into this Agreement and purchase Purchaser Interests hereunder.

SECTION 11.7 Reimbursement and Indemnification.

(a) Each Committed Purchaser agrees to reimburse and indemnify the Administrative Agent and its officers, directors, employees, representatives and agents ratably according to its respective Commitment Percentage, to the extent not paid or reimbursed by the Transferor or the Servicer (i) for any amounts for which the Administrative Agent, acting in its capacity as Administrative Agent, is entitled to reimbursement by the Transferor or the Servicer hereunder or under any other Transaction Document and (ii) for any other expenses incurred by the Administrative Agent, in its capacity as Administrative Agent and acting on behalf of the Funding Agents and Purchasers, in connection with the administration and enforcement of this Agreement and the other Transaction Documents (including, without limitation, expenses incurred in connection with reviews and examinations of the types described in Sections 6.1(b) and 7.3(b)).

(b) Each Committed Purchaser within a Purchaser Group agrees to reimburse and indemnify the Funding Agent of such Purchaser Group and its officers, directors, employees, representatives and agents ratably according to its Committed Purchaser Percentage, to the extent not paid or reimbursed by the Transferor or the Servicer (i) for any amounts for which such Funding Agent, acting in its capacity as Funding Agent, is entitled to reimbursement by the Transferor or the Servicer hereunder or under any other Transaction Document and (ii) for any other expenses incurred by the Funding Agent, in its capacity as Funding Agent and acting on behalf of the Purchasers in its Purchaser Group, in connection with the administration and enforcement of this Agreement and the other Transaction Documents.

SECTION 11.8 Individual Capacity of Administrative Agent and each Funding Agent.

The Administrative Agent and its Affiliates and each Funding Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Transferor or any Affiliate of the Transferor as though such Person were not the Administrative Agent or a Funding Agent, as applicable, hereunder. With respect to the acquisition of any Purchaser Interests pursuant to this Agreement, the Administrative Agent or such Funding Agent, as applicable, shall have the same rights and powers under this Agreement in its individual capacity as any Purchaser and may exercise the same as though it were not the Administrative Agent or the Funding Agent, as applicable, and the terms “Purchaser” and “Purchasers” shall include the Administrative Agent or the Funding Agent, as applicable, in its individual capacity.

SECTION 11.9 Successor Administrative Agent and Funding Agents.

(a) The Administrative Agent may, upon five days’ notice to the Transferor, the Servicer and each Funding Agent, and the Administrative Agent will, upon the direction of all of the Funding Agents (other than the Administrative Agent, in its capacity as Funding Agent) resign as Administrative Agent. If the Administrative Agent shall resign, then the Funding Agents during such five-day period shall appoint from among the Funding Agents a successor agent. If for any reason no successor Administrative Agent is appointed by the Funding Agents during such five-day period, then effective upon the termination of such five day period, the

Funding Agents shall perform all of the duties of the Administrative Agent hereunder and under the other Transaction Documents and the Transferor and the Servicer (as applicable) for all purposes shall deal directly with the Funding Agents. After the effectiveness of any retiring Administrative Agent's resignation hereunder as Administrative Agent, the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Transaction Documents and the provisions of this Article XI shall continue in effect for its benefit with respect to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and under the other Transaction Documents. In the event that the Purchaser Group for which JPMorgan acts as Funding Agent is replaced pursuant to Section 10.4(d), JPMorgan shall, at the request of the Transferor, resign as Administrative Agent in accordance with this Section 11.9(a), provided, that no Amortization Event shall have occurred and be continuing.

(b) Any Funding Agent may, upon five days' notice to the Transferor, the Servicer, each Purchaser in its related Purchaser Group and the Administrative Agent and will, upon the direction of all of the Purchasers in such Purchaser Group (other than such Funding Agent, in its capacity as a Committed Purchaser) resign as Funding Agent for such Purchaser Group. If any Funding Agent shall resign, then the Purchasers of such Purchaser Group during such five-day period shall appoint from among the Committed Purchasers a successor agent. If for any reason no successor Funding Agent is appointed by such Purchasers during such five-day period, then effective upon the termination of such five day period, such Purchasers shall perform all of the duties of such Funding Agent hereunder and under the other Transaction Documents and the Transferor, the Servicer and the Administrative Agent (as applicable) for all purposes shall deal directly with such Purchasers. After the effectiveness of any retiring Funding Agent's resignation hereunder as Funding Agent, the retiring Funding Agent shall be discharged from its duties and obligations hereunder and under the other Transaction Documents and the provisions of this Article XI shall continue in effect for its benefit with respect to any actions taken or omitted to be taken by it while it was Funding Agent under this Agreement and under the other Transaction Documents.

ARTICLE XII ASSIGNMENTS and PARTICIPATIONS

SECTION 12.1 Binding Effect; Assignability.

(a) This Agreement shall be binding upon and inure to the benefit of, each of Transferor, the Servicer, the Funding Agents, the Administrative Agent, the Purchasers and their respective successors and permitted assigns, subject to the further provisions of this Article XII.

(b) Neither the Transferor nor the Servicer may assign any of its rights and obligations hereunder or any interest herein without the prior written consent of each Funding Agent and the Administrative Agent.

(c) This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms, and shall remain in full force and effect until terminated in accordance with its terms; provided, however, that the rights and remedies with

respect to any breach of any representation and warranty made by Transferor or the Servicer pursuant to Article IV and, the rights and remedies described in Article X and Sections 13.6 and 13.9 shall be continuing and shall survive any termination of this Agreement.

SECTION 12.2 Assignments.

(a) Each party hereto hereby agrees and consents to the complete or partial assignment by any Conduit Purchaser of all or any portion of its rights under, interest in, title to and obligations under this Agreement (i) to the Committed Purchasers in its Purchaser Group pursuant to a Liquidity Agreement, or (ii) to its related CP Issuer, if any, to any other issuer of commercial paper notes sponsored or administered by a Permitted Assignee or to any other Person (x) with the consent of the Transferor (not to be unreasonably withheld) or (y) at any time after the occurrence of an Amortization Event, pursuant to an assignment agreement, substantially in the form set forth as Exhibit K hereto (an “Assignment Agreement”), and upon such assignment, such Conduit Purchaser shall be released from its obligations so assigned. Further, each party hereto hereby agrees that any assignee of any Conduit Purchaser of this Agreement or all or any of the Purchaser Interests of such Conduit Purchaser shall have all of the rights and benefits under this Agreement as if the term “Conduit Purchaser” explicitly referred to such party, and no such assignment shall in any way impair the rights and benefits of such Conduit Purchaser hereunder.

(b) Any Committed Purchaser may at any time and from time to time assign to one or more Persons (“Purchasing Committed Purchasers”) all or any part of its rights and obligations under this Agreement pursuant to an Assignment Agreement executed by such Purchasing Committed Purchaser and such selling Committed Purchaser. The consent of the Funding Agent, the Conduit Purchasers in such selling Committed Purchaser’s Purchaser Group and, if such proposed assignee is not a Permitted Assignee, Transferor (such consent not to be unreasonably withheld) shall be required prior to the effectiveness of any such assignment; provided that Transferor’s consent shall not be required in any event after the occurrence of an Amortization Event. Each assignee of a Committed Purchaser must (i) satisfy the Ratings Requirement with respect to the Conduit Purchaser in such Committed Purchaser’s Purchaser Group (or such Conduit Purchaser’s related CP Issuer, if any) and (ii) agree to deliver to the applicable Funding Agent and Conduit Purchaser, promptly following any request therefor by the Funding Agent or any such Conduit Purchaser, an enforceability opinion in form and substance satisfactory to the Funding Agent and such Conduit Purchaser. Upon delivery of the executed Assignment Agreement to the Funding Agent, such selling Committed Purchaser shall be released from its obligations hereunder to the extent of such assignment. Thereafter the Purchasing Committed Purchaser shall for all purposes be a Committed Purchaser party to this Agreement and shall have all the rights and obligations of a Committed Purchaser under this Agreement to the same extent as if it were an original party hereto and no further consent or action by any other party hereto shall be required. Notwithstanding any other provision of this Agreement to the contrary, (i) any Purchaser may at any time pledge or grant a security interest in all or any portion of its rights (including, without limitation, any Purchaser Interest and any rights to payment of Capital and Yield) under this Agreement to secure obligations of such Purchaser to a Federal Reserve Bank and (ii) any Conduit Purchaser may at any time pledge or grant a security interest in all or any portion of its rights (including, without limitation, any

Purchaser Interest and any rights to payment of Capital and Yield) under this Agreement to a collateral trustee in order to comply with Rule 3a-7 under the Investment Company Act, in each case, without notice to or consent of the Transferor or any other party hereto; *provided that* no such pledge or grant of a security interest shall release a Purchaser from any of its obligations hereunder or substitute any such pledgee or grantee for such Purchaser as a party hereto.

(c) Additional Purchaser Groups may be added to this Agreement at the request of Transferor or any Funding Agent at any time by the execution and delivery of an Assignment Agreement among the Purchasers and the Funding Agent of an assigning Purchaser Group and the members of such proposed additional Purchaser Group. The consent of Transferor shall be required prior to the effectiveness of any such assignment, which consent shall not be unreasonably withheld; provided that such consent shall not be required (x) if the members of such proposed additional Purchaser Group are Permitted Assignees or (y) at any time after the occurrence of an Amortization Event. Upon the effective date of such Assignment Agreement, (i) each Person specified therein as a “Conduit Purchaser” shall become a party hereto as a Conduit Purchaser, entitled to the rights and subject to the obligations of a Conduit Purchaser hereunder, (ii) each Person specified therein as a “Committed Purchaser” shall become a party hereto as a Committed Purchaser entitled to the rights and subject to the obligations of a Committed Purchaser hereunder, (iii) each Person specified therein as a “Funding Agent” shall become a party hereto as a Funding Agent, entitled to the rights and subject to the obligations of a Funding Agent hereunder and (iv) the Commitment Percentages, the Committed Purchaser Percentages, the Funding Percentages, the Pro Rata Shares and the Purchaser Shares shall be recalculated based on the Commitments of the Committed Purchasers and the Capital of the Purchaser Groups after giving effect to any assignments and increases in the Commitments.

(d) Each Committed Purchaser agrees that in the event that it shall cease to have short-term debt ratings which meet the Ratings Requirement with respect to the Conduit Purchaser in its Purchaser Group (or such Conduit Purchaser’s related CP Issuer, if any) (an “Affected Committed Purchaser”), such Affected Committed Purchaser shall be obliged, at the request of any such Conduit Purchaser or the Funding Agent for such Purchaser Group, to assign all of its rights and obligations hereunder to (x) another Committed Purchaser or (y) another funding entity nominated by the Funding Agent and acceptable to such Conduit Purchaser and, if such funding entity is not a Permitted Assignee and no Amortization Event has occurred, Transferor, and willing to participate in this Agreement through the applicable Commitment Termination Date in the place of such Affected Committed Purchaser; provided that the Affected Committed Purchaser receives payment in full, pursuant to an Assignment Agreement, of an amount equal to such Committed Purchaser’s Purchaser Share of the Capital of its Purchaser Group and all accrued but unpaid interest, fees, Indemnity Amounts and other costs and expenses owing to such Committed Purchaser hereunder or under any other Transaction Document.

SECTION 12.3 Participations.

Any Committed Purchaser may, in the ordinary course of its business at any time sell to one or more Persons (each, a “Participant”) participating interests in its Commitment, its Purchaser Share of the Purchaser Interests of its Purchaser Group or any other interest of such Committed Purchaser hereunder. Notwithstanding any such sale by a Committed Purchaser of a

participating interest to a Participant, such Committed Purchaser's rights and obligations under this Agreement shall remain unchanged, such Committed Purchaser shall remain solely responsible for the performance of its obligations hereunder, and the other parties hereto shall continue to deal solely and directly with such Committed Purchaser in connection with such Committed Purchaser's rights and obligations under this Agreement. Each Committed Purchaser agrees that any agreement between such Committed Purchaser and any such Participant in respect of such participating interest shall not restrict such Committed Purchaser's right to agree to any amendment, supplement, waiver or modification to this Agreement.

ARTICLE XIII MISCELLANEOUS

SECTION 13.1 Amendments, Waivers and Consents, Etc.

(a) No amendment to or waiver of any provision of this Agreement nor consent to any departure by Transferor or the Servicer therefrom, shall in any event be effective unless the same shall be in writing and signed by Transferor, the Servicer and the Majority Purchasers and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that (i) any amendment, modification or waiver of Schedule 8 of the Agreement affecting only a particular Committed Purchaser may be effective if signed by Transferor, the Servicer and such Committed Purchaser, (ii) no amendment, waiver or consent which affects the rights or obligations of any Funding Agent or the Administrative Agent under this Agreement or any Transaction Document shall be effective unless such amendment or waiver has been consented to in writing by such Person, (iii) no amendment or waiver shall be effective unless the Funding Agent with respect to each Conduit Purchaser required to obtain written confirmation from any Rating Agency shall have received written confirmation from each such Rating Agency that such amendment or consent, as applicable, shall not cause the rating then assigned by such Rating Agency on the Commercial Paper of the related Conduit Purchaser (or such Conduit Purchaser's related CP Issuer, if any) to be downgraded or withdrawn and (iv) no such modification or waiver shall, without the consent of each affected Committed Purchaser:

(i) amend the definitions of Defaulted Receivable, Majority Purchasers or modify the then existing Obligor Limit; or

(ii) amend, modify or waive any provision of this Agreement in any way which would:

(1) reduce the amount of Capital or Yield that is payable on account of any Purchaser Interest or delay any scheduled date for payment thereof; or

(2) reduce fees payable by the Transferor to the Funding Agents which relate to payments to Committed Purchasers or delay the dates on which such fees are payable; or

(3) modify any provisions relating to reserves for uncollectible Receivables, Yield, Dilution or the Monthly Servicing Fee; or

(iii) amend or waive the Amortization Event or Seller Amortization Event relating to the bankruptcy of Transferor, the Servicer, or a Seller; or

(iv) increase the amount of any Committed Purchaser's Commitment;

(v) extend the applicable Commitment Termination Date; or

(vi) amend this Section 13.1(a).

(b) This Agreement and the other agreements, instruments and documents executed and delivered pursuant hereto contain a final and complete integration of all prior expressions by the parties hereto and thereto with respect to the subject matter hereof and thereof and shall constitute the entire agreement among the parties hereto and thereto with respect to the subject matter hereof and thereof, superseding all prior oral or written understandings.

SECTION 13.2 Notices.

All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including email communication and communication by facsimile copy) and mailed, emailed, transmitted or delivered, as to each party hereto, at its address set forth under its name on Schedule 10 hereto, in the applicable Assignment Agreement or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective, upon receipt, or in the case of delivery by mail, five days after being deposited in the United States mails, or, in the case of notice by email, when email confirmation of receipt is obtained, or in the case of notice by facsimile copy, when verbal communication of receipt is obtained.

SECTION 13.3 No Waiver; Remedies; Rights of Purchaser, Etc.

(a) No failure on the part of the Administrative Agent, any Funding Agent, or any Purchaser to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right; and

(b) The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 13.4 **GOVERNING LAW; WAIVER OF JURY TRIAL.**
THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. TO THE EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE, AMONG ANY TWO OR MORE PARTIES HERETO ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT. INSTEAD, ANY DISPUTE

RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.Ratable Payments.

If any Purchaser, whether by setoff or otherwise, has payment made to it with respect to any portion of Capital, interest, fees or any other amounts owing to the Purchasers hereunder (other than payments received pursuant to Article X, such amounts, the “Unpaid Amounts”) in a greater proportion than that received by any other Purchaser entitled to receive a ratable share of such Unpaid Amounts, such Purchaser agrees, promptly upon demand, to purchase for cash without recourse or warranty a portion of such Unpaid Amounts held by the other Purchasers so that after such purchase each Purchaser will hold its ratable proportion of such Unpaid Amounts; provided that if all or any portion of such excess Unpaid Amounts is thereafter recovered from such Purchaser, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

SECTION 13.5 No Proceedings.

(a) Each party hereto hereby agrees that it will not institute against, or join any other Person in instituting against, any Conduit Purchaser (or any Conduit Purchaser’s related CP Issuer) any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any federal or state bankruptcy or similar law for one year and a day after the latest maturing Commercial Paper issued by such Conduit Purchaser (or such Conduit Purchaser’s related CP Issuer, if any) has been paid.

(b) Each party hereto hereby agrees that it will not institute against, or join any other Person in instituting against, Transferor any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any federal or state bankruptcy or similar law for one year and a day after the payment in full by Transferor of all indebtedness and other obligations incurred in connection with the financing of the Receivables.

SECTION 13.6 Execution in Counterparts; Severability.

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

SECTION 13.7 Liability of the Conduit Purchasers.

Notwithstanding any provision to the contrary in this Agreement, the obligations of any Conduit Purchaser under this Agreement are solely the obligations of such Conduit Purchaser shall only be payable at such time as funds are received by or are available to such Conduit Purchaser in excess of funds necessary to pay in full all outstanding Commercial Paper of such Conduit Purchaser and, if applicable, all obligations and liabilities of such Conduit Purchaser to

any related CP Issuer, and, to the extent funds are not available to pay such obligations, the claims relating thereto shall not constitute a claim against such Conduit Purchaser but shall continue to accrue. Each party hereto agrees that the payment of any claim (as defined in Section 101 of Title 11, United States Code (Bankruptcy)) of any such party shall be subordinated to the payment in full of all Commercial Paper.

SECTION 13.8 Confidentiality.

(a) Each of Transferor, the Servicer and each Purchaser shall maintain and shall cause each of its employees and officers to maintain the confidentiality of this Agreement, the Fee Letter and the other confidential or proprietary information with respect to the Funding Agents, the Administrative Agent and each Conduit Purchaser and their respective businesses obtained by it or them in connection with the structuring, negotiating and execution of the transactions contemplated herein, except that such Persons and its officers and employees may disclose such information to such Person's external accountants and attorneys and as required by any law, rule, regulation, direction, request or order of any judicial, administrative or regulatory authority or proceedings (whether or not having the force or effect of law).

(b) Anything herein to the contrary notwithstanding, each of Transferor and the Servicer hereby consents to the disclosure of this Agreement, the other Transaction Documents, and any nonpublic information with respect to it (i) to the Administrative Agent, any Funding Agent or any Purchaser by each other, (ii) by the Administrative Agent, any Funding Agent or any Purchaser to any prospective or actual assignee or participant of any of them, (iii) by any Funding Agent to any CP Issuer or any rating agency, commercial paper dealer or provider of a surety, guaranty or credit or liquidity enhancement to any of its related Conduit Purchasers or their related CP Issuers, if any, and to any officers, directors, employees, outside accountants and attorneys of any of the foregoing, (iv) by any Funding Agent or any CP Issuer (or any administrative agent on its behalf) to any nationally recognized statistical rating organization pursuant to Rule 17g-5 under the Securities Exchange Act of 1934, (v) by any Conduit Purchaser (or any administrative agent on its behalf) to any collateral trustee appointed by the such Conduit Purchaser to comply with Rule 3a-7 under the Investment Company Act, provided such collateral trustee is informed of the confidential nature of such information, and (vi) in the case of Thunder Bay Funding, LLC, to Catena Capital, LLC in its capacity as an equity holder of Thunder Bay Funding, LLC. In addition, the Purchasers, the Funding Agents and the Administrative Agent may disclose any such nonpublic information pursuant to any law, rule, regulation, direction, request or order of any judicial, administrative or regulatory authority or proceedings (whether or not having the force or effect of law). Anything herein to the contrary notwithstanding, each of Transferor, the Servicer, each Purchaser, each Funding Agent, the Administrative Agent, each Indemnified Party and any successor or assign of any of the foregoing (and each employee, representative or other agent of any of the foregoing) may disclose to any and all Persons, without limitation of any kind, the "tax treatment" and "tax structure" (in each case, within the meaning of Treasury Regulation Section 1.6011-4) of the transactions contemplated herein and all materials of any kind (including opinions or other tax analyses) that are or have been provided to any of the foregoing relating to such tax treatment or tax structure, and it is hereby confirmed that each of the foregoing have been so authorized since the commencement of discussions regarding the transactions.

SECTION 13.9 Characterization.

(a) It is the intention of the parties hereto that each purchase of Purchaser Interests hereunder shall constitute and be treated as an absolute and irrevocable sale, which purchase of Purchaser Interests shall provide the applicable Purchaser with the full benefits of ownership of such Purchaser Interest. Except as specifically provided in this Agreement, each sale of a Purchaser Interest hereunder is made without recourse to Transferor; provided, however, that (i) Transferor shall be liable to each Purchaser, each Funding Agent and the Administrative Agent for all representations, warranties, covenants and indemnities made by Transferor pursuant to the terms of this Agreement, and (ii) such sale does not constitute and is not intended to result in an assumption by any Purchaser, any Funding Agent or the Administrative Agent or any assignee thereof of any obligation of Transferor, any Seller or any other Person arising in connection with the Receivables, the Related Security or the related Contracts, or any other obligations of Transferor or any Seller.

(b) In addition to any ownership interest which the Administrative Agent may from time to time acquire pursuant hereto, Transferor hereby grants to the Administrative Agent for the ratable benefit of the Purchasers a security interest in all of Transferor's right, title and interest in, to and under all Receivables now existing or hereafter arising, the Related Security with respect thereto, the Collections, the Concentration Account, the Concentration Account Agreement, each Lock-Box, each Depositary Account (other than the AEP Utilities Account), each Depositary Account Agreement, the AEP Services Account Agreement, the Collection Account and all money, instruments, investment property and other property credited to or deposited in such deposit accounts and all proceeds of any thereof to secure the prompt and complete payment of Aggregate Capital and of all other amounts payable by Transferor hereunder, which security interest is intended to be prior to all other liens thereon and security interests therein. The Administrative Agent and the Purchasers shall have, in addition to the rights and remedies that they may have under this Agreement, all other rights and remedies provided to a secured creditor under the UCC and other applicable law, which rights and remedies shall be cumulative.

SECTION 13.10 Integration; Binding Effect; Survival of Terms.

(a) This Agreement and each other Transaction Document contain the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof superseding all prior oral or written understandings.

(b) This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms and shall remain in full force and effect until terminated in accordance with its terms; provided, however, that the rights and remedies with respect to (i) any breach of any representation and warranty made by any Seller Party pursuant to Article IV, (ii) the indemnification and payment provisions of Article X, Article XI and Sections 13.6, 13.8 and 13.9 shall be continuing and shall survive any termination of this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns (including any trustee in bankruptcy).

(c) Amendment and Restatement; Reallocation of Aggregate Capital. This Agreement amends, restates and supersedes in its entirety the Existing RPA and shall not constitute a novation thereof. It is the intent of each of the parties hereto that all references to the Existing RPA in any Transaction Document to which such party is party as such and which becomes or remains effective on or after the date hereof shall be deemed to mean and be references to this Agreement.

(d) The parties hereto agree that, on the Restatement Effective Date, the Aggregate Capital shall be reallocated among the Purchaser Groups, such that after giving effect to such reallocation, the aggregate Capital of the Percentage Interests of the Purchasers in each Purchaser Group shall be equal to its respective Funding Percentage. Each Purchaser shall make the payments to, or receive the payments from, the other applicable Purchasers specified in the flow of funds prepared by the Administrative Agent and acknowledged and agreed to by the Servicer and the Transferor in connection with this Section 13.12. For the avoidance of doubt, notwithstanding anything to the contrary set forth herein or in any other Transaction Document, (i) any amount funded by a Purchaser pursuant to this Section 13.12(b) on the Restatement Effective Date shall for all purposes be treated as, an Incremental Purchase hereunder and (ii) any amount received by a Purchaser pursuant to this Section 13.12(b) on the Restatement Effective Date shall for all purposes be treated as, a repayment to such Purchaser of a portion of the Capital of its Purchaser Interests hereunder.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date hereof.

AEP CREDIT, INC.,
as Transferor

By: _____
Name:
Title:

AMERICAN ELECTRIC POWER
SERVICE CORPORATION,
as Servicer

By: _____
Name:
Title:

Signature Page to Fourth Amended and Restated Receivables Purchase Agreement

JUPITER SECURITIZATION COMPANY LLC,
as a Conduit Purchaser and a Committed Purchaser

By: JPMorgan Chase Bank, N.A.,
its attorney-in-fact

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent and as a Funding Agent

By: _____
Name:
Title:

GOTHAM FUNDING CORPORATION,
as a Conduit Purchaser

By: _____
Name:
Title:

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
NEW YORK BRANCH,
as a Committed Purchaser

By: _____
Name:
Title:

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
NEW YORK BRANCH,
as a Funding Agent

By: _____
Name:
Title:

LIBERTY STREET FUNDING LLC,
as a Conduit Purchaser

By: _____
Name:
Title:

THE BANK OF NOVA SCOTIA,
as a Committed Purchaser and as a Funding Agent

By: _____
Name:
Title:

THUNDER BAY FUNDING, LLC,
as a Conduit Purchaser

By: _____
Name:
Title:

ROYAL BANK OF CANADA, as a Committed Purchaser
and as a Funding Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

MIZUHO BANK, LTD.,
as a Funding Agent and a Committed Purchaser

By: _____
Name:
Title:

WORKING CAPITAL MANAGEMENT CO. LP,
as a Conduit Purchaser

By: _____
Name:
Title:

SUNTRUST BANK
as a Funding Agent and a Committed Purchaser

By: _____
Name:
Title:

EXHIBIT A

DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“Additional Committed Purchaser” has the meaning set forth in Section 1.6(b).

“Additional Interest” has the meaning set forth in Section 3.1.

“Additional Interest Margin” has the meaning set forth in the Fee Letter.

“Adjustment Amount” shall mean, as of any date of determination for any Seller, without duplication, an amount equal to the sum of (i) the Government Receivables Amount for such Seller as of such date, plus (ii) the Reseller Receivables Amount for such Seller as of such date, plus (iii) the Excess Unbilled Receivables Amount for such Seller as of such date, plus (iv) the Excess Concentration Amount for such Seller as of such date, plus (v) the Excess Payment Plan Amount for such Seller as of such date, plus (vi) if any Level Two Enhancement Period has ever occurred since the Closing Date with respect to such Seller, the Customer Deposit Amount for such Seller as of such date.

“Administrative Agent” has the meaning set forth in the preamble to this Agreement.

“AEP Services Account” shall mean the account listed on Schedule 2-A in the name of American Electric Power Service Corporation or any other account established in accordance with Section 6.5 of the Purchase Agreements.

“AEP Services Account Agreement” shall mean the agreement substantially in the form of Exhibit J to the Purchase Agreements with such changes to such form as are reasonably acceptable to the Administrative Agent.

“AEP Services Account Bank” shall mean any institution at which the AEP Services Account is maintained.

“AEP Utilities” shall mean AEP Utilities, Inc., a Delaware corporation.

“AEP Utilities Account” shall mean account number 01891740044 in the name of AEP Utilities or American Electric Power Service Corporation at Huntington National Bank.

“Affected Committed Purchaser” has the meaning specified in Section 12.2(d).

“Affiliate” shall mean, when used with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with, such Person. As used in this definition of Affiliate, the term “control” means the power, directly or indirectly, to direct or cause the direction of the management and policies of a Person, whether through ownership of

such Person's voting securities, by contract or otherwise, and the terms "affiliated," "controlling" and "controlled" have correlative meanings.

"Agency Agreements" shall mean each of those certain Agency Agreements among the Transferor, those Sellers as described on Schedule 7, and the Administrative Agent and each other Agency Agreement entered into by the Transferor and the Administrative Agent, with the consent of the Funding Agents, in each case, as amended, restated, supplemented or otherwise modified from time to time.

"Agent Fee Rate" shall mean 2.0%.

"Agent Default" shall have the meaning specified in the applicable Agency Agreement.

"Agent Transfer" shall have the meaning specified in the applicable Agency Agreement.

"Aggregate Capital" shall mean, at any time, the aggregate amount of Capital of all Purchaser Interests outstanding at such time.

"Aggregate Commitment" shall mean, at any time, the sum of the Commitments of the Committed Purchasers at such time.

"Aggregate Receivables Balance" shall mean, as of any date of determination, the sum of the Seller Receivables Balances for each Applicable Seller on such date.

"Aggregate Reduction" has the meaning specified in Section 1.3.

"Aggregate Reserves" shall mean, on any date of determination, the sum of the Required Reserves and the Carrying Cost Reserve.

"Agreement" means this Amended and Restated Receivables Purchase Agreement, as it may be amended or modified and in effect from time to time.

"Amortization Date" means the earliest to occur of (a) the latest Commitment Termination Date of any Committed Purchaser, (b) the close of business on the Business Day immediately preceding the day on which an Amortization Event set forth in Section 9.1(j) or (k) has occurred, (c) the Business Day specified in a written notice from the Administrative Agent following the occurrence of any other Amortization Event, and (d) the date which is not less than three (3) Business Days after each of the Administrative Agent's and the Servicer's receipt of written notice from Transferor that it wishes to terminate further Reinvestments on the date specified in such notice.

"Amortization Event" has the meaning specified in Section 9.1.

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the Seller Parties or their respective Subsidiaries from time to time concerning or relating to bribery or corruption.

"Applicable Margin" has the meaning set forth in the Fee Letter.

“Applicable Reserve Ratio” shall mean, for any day during a Monthly Reporting Period for any Seller, the sum of (i) the Loss Reserve Ratio for such Seller for such Monthly Reporting Period plus (ii) the Dilution Reserve Ratio for such Seller for such Monthly Reporting Period plus (iii) if no Level Two Enhancement Period has ever occurred since the Closing Date with respect to such Seller, the Applied Deposit Reserve Ratio for such Seller for such Monthly Reporting Period.

“Applicable Seller” shall mean, at any time, a Seller which originated any Eligible Receivable outstanding at such time.

“Applicable Stress Factor” with respect to any Seller shall mean 2.00; provided that should any Seller (i) have a Debt Rating lower than either (x) BBB- as rated by S&P or (y) Baa3 as rated by Moody’s or (ii) cease to have a Debt Rating from either S&P or Moody’s, the “Applicable Stress Factor” shall mean 2.25 with respect to such Seller.

“Applicable Unbilled Receivables Limit” shall mean, with respect to any Seller, (i) 55% as of any date of determination during any Level One Enhancement Period with respect to such Seller and (ii) 35% as of any date of determination during any Level Two Enhancement Period with respect to such Seller.

“Applied Deposit Ratio” shall mean, for any Monthly Reporting Period for any Seller, the *quotient*, expressed as a percentage, of (a) the aggregate amount of Customer Deposits held by such Seller which are actually applied during the Monthly Period ending immediately prior to the first day of such Monthly Reporting Period *divided by* (b) the Seller Sales for such Seller during the Monthly Period immediately preceding such Monthly Period.

“Applied Deposit Reserve Ratio” shall mean, for any Monthly Reporting Period for any Seller, a percentage equal to the percentage calculated in accordance with the following formula:

$$\text{ADRR} = \frac{[(\text{AADR} \times \text{ASF}) + \text{ADVf}] \times \text{DHF}}{\text{DHF}}, \text{ where}$$

ADRR = the Applied Deposit Reserve Ratio for such Seller for such Monthly Reporting Period;

AA DR = the Average Applied Deposit Ratio for such Seller for such Monthly Reporting Period;

ASF = the Applicable Stress Factor for such Seller for such Monthly Reporting Period;

ADVf = the Applied Deposit Volatility Factor for such Seller for such Monthly Reporting Period; and

DHF = the Dilution Horizon Factor for such Seller for such Monthly Reporting Period.

“Applied Deposit Spike” shall mean, for any Monthly Reporting Period for any Seller, the highest Applied Deposit Ratio for such Seller occurring for such Monthly Reporting Period and the eleven (11) immediately preceding Monthly Reporting Periods.

“Applied Deposit Volatility Factor” shall mean, for any Monthly Reporting Period, for any Seller a percentage equal to the product of (i) the amount by which (A) the Applied Deposit Spike for such Seller for such Monthly Reporting Period exceeds (B) the Average Applied Deposit Ratio for such Seller for such Monthly Reporting Period and (ii) the quotient, expressed as a percentage, of (A) the Applied Deposit Spike for such Seller for such Monthly Reporting Period *divided by* (B) the Average Applied Deposit Ratio for such Seller for such Monthly Reporting Period.

“Assignment Agreement” has the meaning set forth in Section 12.2(a).

“Authorized Officer” shall mean:

(a) with respect to the Transferor, any officer of the Transferor who is authorized to act for the Transferor in matters relating to the Transferor and who is identified on the list of Authorized Officers (containing the specimen signature of each such Person) delivered by the Transferor to the Administrative Agent on the Effective Date (as such list may be modified or supplemented from time to time thereafter); or

(b) with respect to the Servicer, any officer of the Servicer who is authorized to act for the Servicer in matters relating to the Servicer and who is identified on the list of Authorized Officers (containing the specimen signature of each such Person) delivered by the Servicer to the Administrative Agent on the Effective Date (as such list may be modified or supplemented from time to time thereafter).

“Average Applied Deposit Ratio” shall mean, for any Monthly Reporting Period for any Seller, the average of the Applied Deposit Ratios for such Seller for such Monthly Reporting Period and each of the eleven (11) immediately preceding Monthly Reporting Periods.

“Average Dilution Ratio” shall mean, for any Monthly Reporting Period for any Seller, the average of the Dilution Ratios for such Seller for such Monthly Reporting Period and each of the eleven (11) immediately preceding Monthly Reporting Periods.

“Balance Sheet Purchaser Group” means each Purchaser Group other than a CP Funding Purchaser Group that is identified on Schedule 10 hereto as a “Balance Sheet Purchaser Group,” or in any Assignment Agreement or Joinder Agreement as a “Balance Sheet Purchaser Group.”

“Base Rate” shall mean, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 0.5% and (c) the Eurodollar Rate in effect on such day (or if such day is not a Business Day, the immediately preceding Business Day) for a one month Tranche Period commencing two (2) Business Days prior to such day plus 1.0%. Any change in the Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Eurodollar Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Eurodollar Rate, respectively.

“Base Rate Tranche” shall mean, with respect to any Purchaser Group, any portion of the Capital of the Purchaser Interests of such Purchaser Group which is not a CP Tranche or a Eurodollar Tranche.

“Billed Receivable” shall mean a Receivable for which, as of the time of determination, a Customer Bill has been rendered to such Obligor.

“Business Day” shall mean any day that is not (i) a Saturday or Sunday, (ii) a day on which banks are required or permitted to be closed in either of the States of Illinois or New York or (iii) any of the days on which the Transferor or the Servicer is closed for business as set forth on Schedule 5 as such Schedule is amended from time to time pursuant to Section 7.7(e)(viii).

“Capital” of any Purchaser Interest means, at any time, (A) the Purchase Price of such Purchaser Interest, minus (B) the sum of the aggregate amount of Collections and other payments received by each Funding Agent which in each case are applied to reduce such Capital in accordance with the terms and conditions of this Agreement; provided that such Capital shall be restored in the amount of any Collections or other payments so received and applied if at any time the distribution of such Collections or payments are rescinded, returned or refunded for any reason.

“Capital Payment Date” shall mean (i) during a Monthly Reporting Period, the first Business Day after each Monthly Reporting Date; (ii) during a Weekly Reporting Period, (A) each Thursday (or if such Thursday is not a Business Day, the next succeeding Business Day), and (B) each additional Business Day during such week, if any, specified in a notice from Transferor (subject to the Required Notice Period) delivered in accordance with the terms of Section 1.3, and (iii) at any time during a Daily Reporting Period or a Capital Reduction Period, or after the occurrence of a Seller Amortization Event or an Amortization Event, each Business Day

“Capital Reduction Period” shall mean that period commencing on the Commitment Termination Date for a Purchaser Group, if all Committed Purchasers in such Purchaser Group have declined to extend such Commitment Termination Date and no such Committed Purchaser has been replaced as provided in Section 1.6, and, as a result thereof, the Aggregate Capital exceeds the Aggregate Commitment, and ending on the earlier of (i) the first date that the Aggregate Commitment equals or exceeds the Aggregate Capital or (ii) the Amortization Date.

“Capital Subaccount” shall have the meaning specified in Section 2.1(b).

“Carrying Cost Reserve” shall mean, as of any date of determination, the sum of the Seller Carrying Costs Reserves for each Applicable Seller on such date.

“Change of Control” shall mean with respect to the Transferor, any Seller (other than a Seller (a) that is not an Eligible Seller and (b) which has not originated any Receivables included in the Aggregate Receivables Balance at such time), or the Servicer, such Person ceases to be a wholly-owned subsidiary of the Parent.

“Charged-Off Receivable” shall mean any Receivable (a) which is determined to be or that should have been determined to be uncollectible by the related Seller in accordance with its Credit and Collection Procedure or (b) which is a Defaulted Receivable.

“Closing Date” shall mean December 31, 2001.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Collection Account” shall have the meaning specified in Section 2.1(a).

“Collections” with respect to any Seller, shall have the meaning ascribed thereto in the related Purchase Agreement and shall include, without limitation, the proceeds of any sale of Designated Charged-Off Receivables.

“Commercial Paper” shall mean, with respect to any Conduit Purchaser, the short-term promissory notes issued (i) by, or for the benefit of, such Conduit Purchaser, or (ii) by such Conduit Purchaser’s related CP Issuer, if any, in each case denominated in Dollars, and issued from time to time in connection with the Purchaser Interests.

“Commitment” shall mean, on any day, (a) with respect to each Committed Purchaser, the amount set forth on Schedule 1 hereto corresponding to such day, minus the dollar amount of any portion thereof assigned by such Committed Purchaser pursuant to an Assignment Agreement plus the dollar amount of any increase thereto made pursuant to Section 1.5 and (b) with respect to any Person which becomes a Committed Purchaser under this Agreement pursuant to an Assignment Agreement or Joinder Agreement, the amount, as set forth in such Assignment Agreement or Joinder Agreement corresponding to such day, minus the dollar amount of any portion thereof assigned by such Committed Purchaser pursuant to a subsequent Assignment Agreement plus the dollar amount of any increase thereto made pursuant to Section 1.5; provided, however, that from and after the applicable Commitment Termination Date, the Commitment shall be reduced to zero to the extent not extended.

“Commitment Percentage” shall mean, with respect to any Committed Purchaser at any time, a percentage equal to (i) the Commitment of such Committed Purchaser at such time divided by (ii) the Aggregate Commitment at such time.

“Committed Purchaser Percentage” shall mean, for each Committed Purchaser in any Purchaser Group, at any time, a percentage equal to (i) the Commitment of such Committed Purchaser at such time, divided by (ii) an amount equal to the aggregate Commitments of all Committed Purchasers in such Purchaser Group at such time.

“Committed Purchasers” means each of the Persons identified on Schedule 1 hereto as a “Committed Purchaser”, and each other Person specified as such in the Assignment Agreement or Joinder Agreement pursuant to which such Person became party hereto, and their respective successors and permitted assigns.

“Commitment Termination Date” means (a) with respect to the Purchaser Group for which Mizuho Bank, Ltd. is the Funding Agent, July 24, 2020 or (b) with respect to any other Purchaser Group, July 26, 2021, as each such date may be extended pursuant to Section 1.6.

“Concentration Account” shall mean the depository account or similar account established and maintained by the Transferor and into which any Collections are deposited.

“Concentration Account Agreement” shall mean an agreement substantially in the form of Exhibit L with such changes to such form as are reasonably satisfactory to the Funding Agents and any other agreement pursuant to which Transferor has established a Concentration Account.

“Concentration Account Bank” shall mean any institution at which the Concentration Account is maintained.

“Conduit Purchasers” means each of the Persons identified on Schedule 1 hereto as a “Conduit Purchaser”, and each other Person specified as such in the Assignment Agreement or Joinder Agreement pursuant to which such Person became party hereto, and their respective successors and permitted assigns.

“Consolidated Capital” shall mean, with respect to any Person, the sum of (i) Consolidated Debt of such Person and (ii) the consolidated equity of all classes of stock (whether common, preferred, mandatorily convertible preferred or preference) of such Person, in each case determined in accordance with GAAP, but including Equity-Preferred Securities issued by such Person and its Consolidated Subsidiaries and excluding the funded pension and other postretirement benefit plans, net of tax, components of accumulated other comprehensive income (loss).

“Consolidated Debt” of any Person shall mean the total principal amount of (i) all indebtedness of such Person and its Consolidated Subsidiaries for borrowed money, (ii) all obligations of such Person and its Consolidated Subsidiaries for the deferred purchase price of property or services (other than trade payables not overdue by more than 60 days incurred in the ordinary course of such Person’s business), (iii) all obligations of such Person and its Consolidated Subsidiaries evidenced by notes, bonds, debentures or other similar instruments, (iv) all obligations of such Person and its Consolidated Subsidiaries as lessee under leases that have been, in accordance with GAAP, recorded as capital leases, and (v) all obligations of such Person and its Consolidated Subsidiaries in respect of reimbursement agreements with respect to acceptances, letters of credit (other than trade letters of credit) or similar extensions of credit, and Guaranties of Debt described in clauses (i) through (v) of such Person and its Consolidated Subsidiaries, excluding, however, (i) Debt of the Transferor that is non-recourse to such Person, (ii) Stranded Cost Recovery Bonds, and (iii) Equity-Preferred Securities not to exceed 10% of Consolidated Capital (calculated for purposes of this clause without reference to any Equity-Preferred Securities); provided that Guaranties of Debt included in the total principal amount of Consolidated Debt shall not be added to such total principal amount.

“Consolidated Subsidiary” shall mean, with respect to any Person at any time, any Subsidiary or other Person the accounts of which would be consolidated with those of such first Person in its consolidated financial statements in accordance with GAAP.

“Contract” shall mean any agreement or invoice pursuant to, or under which, an Obligor shall be obligated to make payments with respect to any Receivable.

“Control Notice” shall mean, (i) with respect to the Concentration Account, a notice in substantially the form of Annex A to Exhibit L hereto, (ii) with respect to any Depositary Account, a notice in substantially the form of Annex A to Exhibit G to the related Purchase Agreement and (iii) with respect to the AEP Services Account, a notice in substantially the form of Exhibit A to Exhibit J to the Purchase Agreements.

“CP Costs” shall mean, with respect to any CP Tranche, an amount equal to the product of the applicable CP Rate multiplied by the Capital of the portion of the Purchaser Interests included in such CP Tranche for each day elapsed during the related Tranche Period, annualized on a 360 day basis.

“CP Funding Purchaser Group” means each Purchaser Group that includes one or more Conduit Purchasers that may fund Capital hereunder by issuing Commercial Paper that is identified on Schedule 10 hereto as a “CP Funding Purchaser Group,” or in any Assignment Agreement or Joinder Agreement as a “CP Funding Purchaser Group.”

“CP Issuer” shall mean, with respect to any Conduit Purchaser, any Person which issues Commercial Paper in the ordinary course of business and which makes funds raised thereby available to such Conduit Purchaser pursuant to a funding agreement in connection with its acquisition or maintenance of Purchaser Interests.

“CP Rate” shall have the meaning specified in Schedule 8 hereto with respect to each Conduit Purchaser or as set forth in the applicable Assignment Agreement or Joinder Agreement pursuant to which a Conduit Purchaser becomes a party hereto; provided, however that, if an Amortization Event has occurred and is continuing and during any Capital Reduction Period, the CP Rate with respect to the Capital of each Purchaser Interest shall equal the Base Rate plus the Additional Interest Margin.

“CP Tranche” shall mean, with respect to any Purchaser Group, any portion of the Capital of the Purchaser Interests of such Purchaser Group that has been designated by the applicable Funding Agent as having been funded through the issuance of Commercial Paper.

“Credit and Collection Procedure” with respect to each Seller, shall have the meaning ascribed thereto in the related Purchase Agreement.

“CRES Amounts” shall mean amounts due to any Seller solely as agent for a power generator under the Ohio Certified Retail Electric Service program and not for its own account.

“Customer” with respect to any Seller, shall have the meaning ascribed thereto in the related Agency Agreement.

“Customer Bill” with respect to any Seller, shall have the meaning ascribed thereto in the related Agency Agreement.

“Customer Deposit Amount” shall mean, for any Seller as of any date of determination, the dollar amount of all Customer Deposits of such Seller as of such date.

“Customer Deposits” shall mean any cash or credits held by a Seller for the account of any Obligor for application to the payment of the Receivables of such Obligor.

“Daily Report” shall have the meaning set forth in Section 7.3(f).

“Daily Reporting Period” means any period of time during which (A) the Debt Rating of the Parent is (i) lower than “BB-” by S&P or (ii) lower than “Ba3” by Moody’s; *provided, that* if the ratings of S&P and Moody’s differ, the lower of the two ratings shall control, or (B) the Parent ceases to have a Debt Rating by S&P or Moody’s (other than by reason of such rating agency ceasing to be in the business of rating corporate debt obligations).

“Days Sales Outstanding” shall mean, for any Monthly Period for any Seller, (i) the aggregate Unpaid Balance of all Receivables originated by such Seller as of the last day of the immediately preceding Monthly Period, divided by (ii) the aggregate amount of Collections received with respect to Receivables originated by such Seller during such Monthly Period, multiplied by (iii) 30.

“Debt” of any Person shall mean, without duplication, (i) all indebtedness of such Person for borrowed money, (ii) all obligations of such Person for the deferred purchase price of property or services (other than trade payables not overdue by more than 60 days incurred in the ordinary course of such Person’s business), (iii) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (iv) all obligations of such Person as lessee under leases that have been, in accordance with GAAP, recorded as capital leases, and (v) all obligations of such Person in respect of reimbursement agreements with respect to acceptances, letters of credit (other than trade letters of credit) or similar extensions of credit; provided, however, that the term “Debt” shall not include the Gavin Lease.

“Debt Rating” shall mean, at any time, the rating then assigned by S&P or Moody’s to the applicable entity’s senior unsecured long-term debt securities without third party credit enhancement; provided, however, so long as the senior unsecured long-term debt securities of Kingsport Power Company are not rated, the “Debt Rating” for Kingsport Power Company, solely for purposes of determining (a) the Applicable Stress Factor or (b) whether a Level Two Enhancement Period exists with respect thereto, shall at all times be deemed to be (i) BBB- as rated by S&P and Baa3 as rated by Moody’s or (ii) such other debt rating as the Administrative Agent may otherwise assign to Kingsport Power Company at any time that its Seller Percentage exceeds 2.5%.

“Defaulted Receivable” shall mean any Receivable which is unpaid in whole or in part for more than ninety (90) days after its original invoice date.

“Deferred Payment Plan Receivables” shall mean a Receivable with respect to which the related Seller has entered into an arrangement with the Obligor pursuant to which payment of any portion of the Unpaid Balance has been extended or deferred, whether by means of a promissory note or by any other means.

“Depository Account” shall mean any concentration account, deposit account or similar account, established and maintained by the related Seller or AEP Utilities, Inc. and into which any Collections are collected or deposited and which is identified on Schedule 2-A.

“Depository Account Agreement” shall mean each agreement substantially in the form of Exhibit E to the Agency Agreements with such changes to such form as are reasonably acceptable to the Funding Agents and any other agreement pursuant to which a Seller has established a Depository Account.

“Depository Account Bank” shall mean any institution at which a Depository Account is maintained.

“Designated Charged-Off Receivables” has the meaning set forth in Section 2.6.

“Determination Date” shall mean, with respect to each Settlement Date, the Business Day immediately preceding such Settlement Date.

“Dilution Horizon Factor” shall mean, for any Monthly Reporting Period for any Seller, a fraction the *numerator* of which equals the sum of (a) the aggregate Seller Sales for such Seller during the Monthly Period ending immediately prior to the first day of such Monthly Reporting Period and (b) the aggregate Unpaid Balance of Unbilled Receivables originated by such Seller as of the end of the Monthly Period ending immediately prior to the first day of such Monthly Reporting Period, and the *denominator* of which equals the Net Seller Receivables Balance for such Seller as of the end of such Monthly Period.

“Dilution Ratio” shall mean, for any Monthly Reporting Period for any Seller, the quotient, expressed as a percentage, of (a) the aggregate amount of reductions to the Unpaid Balances of the Receivables originated by such Seller due to Dilutive Credits occurring during the Monthly Period ending immediately prior to the first day of such Monthly Reporting Period divided by (b) the Seller Sales for such Seller during the Monthly Period immediately preceding such Monthly Period.

“Dilution Reserve Floor” shall mean, for any Monthly Reporting Period for any Seller, the percentage specified on the chart below for such Seller.

<u>Seller</u>	<u>Dilution Reserve Floor</u>
Appalachian	3%
Indiana Michigan	3%
Kentucky Power	3%
Kingsport	3%
OPC	3%

<u>Seller</u>	<u>Dilution Reserve Floor</u>
Public Service Co of Oklahoma	3%
Southwestern Power	3%

“Dilution Reserve Ratio” shall mean, for any Monthly Reporting Period for any Seller, a percentage equal to the greater of (i) the Dilution Reserve Floor for such Seller and (ii) the percentage calculated in accordance with the following formula:

DRR = $[(ADR \times ASF) + DVF] \times DHF$, where

DRR = the Dilution Reserve Ratio for such Seller for such Monthly Reporting Period;

ADR = the Average Dilution Ratio for such Seller for such Monthly Reporting Period;

ASF = the Applicable Stress Factor for such Seller for such Monthly Reporting Period;

DVF = the Dilution Volatility Factor for such Seller for such Monthly Reporting Period; and

DHF = the Dilution Horizon Factor for such Seller for such Monthly Reporting Period.

“Dilution Spike” shall mean, for any Monthly Reporting Period for any Seller, the highest Dilution Ratio for such Seller occurring for such Monthly Reporting Period and the eleven (11) immediately preceding Monthly Reporting Periods.

“Dilution Volatility Factor” shall mean, for any Monthly Reporting Period, for any Seller a percentage equal to the product of (i) the amount by which (A) the Dilution Spike for such Seller for such Monthly Reporting Period exceeds (B) the Average Dilution Ratio for such Seller for such Monthly Reporting Period and (ii) the quotient, expressed as a percentage, of (A) the Dilution Spike for such Seller for such Monthly Reporting Period *divided by* (B) the Average Dilution Ratio for such Seller for such Monthly Reporting Period.

“Dilutive Credit” shall mean, with respect to any Receivable, (i) any reduction to the Unpaid Balance thereof (other than cash Collections on account of such Receivable and other than Estimation Correction Amounts (as such term is defined in the related Purchase Agreement)), (ii) any reduction or cancellation as a result of a setoff in respect of any claim by any Person (whether such claim arises out of the same or a related transaction or an unrelated transaction) in respect of Receivables, (iii) any reduction or adjustment in the amount of any Customer Bill to reflect any error made by the related Seller in the calculation of the amount of electricity, gas or other related services purchased by a Customer, permitted or incurred during

such period by the related Seller, the Transferor or the Servicer (excluding any adjustments on account of an Obligor's insolvency or inability to pay) or (iv) the amount of any Collections with respect to such Receivable which are received by any Sub-Agent and which the related Seller is aware have not been remitted to a Depositary Account within five (5) Business Days after the date such Sub-Agent is contractually required to remit such amount, but, in the case of this clause (iv), only to the extent that the Transferor has received such amount from the related Seller pursuant to the applicable First-Tier Agreement. Notwithstanding the foregoing, no reduction in the amount of any Receivable as a result of a credit based on the refund of any fees or charges based on rates that were either not approved or were pending final order approval by the applicable state public utility commission (but solely to the extent such amounts were excluded pursuant to clause (C) of the proviso set forth in clause (c) of the definition of "Eligible Receivable" during any prior Monthly Period), shall constitute a "Dilutive Credit" for purposes of calculating the Dilution Ratio hereunder.

"Discount Rate" means, the Eurodollar Rate or the Base Rate, as applicable; provided, however that, if an Amortization Event has occurred and is continuing and during any Capital Reduction Period, the Discount Rate with respect to the Capital of each Purchaser Interest shall equal the Base Rate plus the Additional Interest Margin.

"Dollars," "\$" or "U.S. \$" shall mean United States dollars.

"DSO Trigger" shall mean, for any Seller, the number of days specified on the chart below for such Seller.

<u>Seller</u>	<u>DSO Trigger</u>
Appalachian	45 days
Indiana Michigan	45 days
Kentucky Power	45 days
Kingsport	45 days
OPC	<u>For the Monthly Periods of April, May, June and July of 2020, 70 days and thereafter, 60 days</u>
Public Service Co of Oklahoma	45 days
Southwestern Power	45 days

"Effective Date" shall mean August 25, 2004.

"Eligible Investments" shall mean the following instruments, investment property, or other property:

(a) direct obligations of, or obligations fully guaranteed as to timely payment by, the United States of America;

(b) demand deposits, time deposits or certificates of deposit that are fully insured by the FDIC (having original maturities of no more than 365 days) of depository institutions or trust companies (including the institution acting as Administrative Agent) incorporated under the laws of the United States of America or any state thereof, or the District of Columbia (or domestic branches of foreign banks) and subject to supervision and examination by federal or state banking or depository institution authorities, provided that, at the time of investment or contractual commitment to invest therein, the short-term debt rating of such depository institution or trust company shall be A-1+ by S&P and P-1 by Moody's;

(c) commercial paper (having original or remaining maturities of no more than thirty (30) days) having, at the time of investment or contractual commitment to invest therein, a short-term debt rating of A-1+ by S&P and P-1 by Moody's;

(d) bankers' acceptances (having original maturities of no more than 365 days) issued by any depository institution or trust company referred to in clause (b) above;

(e) money market funds having, at the time of investment therein, a rating of AAAm or AAAm-G by S&P or Aaa by Moody's (including funds for which the Administrative Agent or any of its Affiliates is investment manager or advisor); or

(f) time deposits and eurodollar deposits (having maturities not later than the succeeding Settlement Date) other than as referred to in clause (d) above, with a Person the commercial paper of which has a credit rating of at least A-1+ by S&P and P-1 by Moody's.

"Eligible Obligor" shall mean, as of any date of determination, each Obligor which:

(a) if a natural person, maintains a service address in the United States of America, or if a corporation or other business organization, maintains a place of business in the United States of America;

(b) is not an Affiliate of the Transferor, the Servicer or any Seller;

(c) is not the subject of any Event of Bankruptcy; and

(d) is not Ormet Primary Aluminum Corp. or any Affiliate thereof.

"Eligible Receivable" shall mean, as of any date of determination, each Receivable owing by an Eligible Obligor in existence as of such date, and:

(a) which was acquired by the Transferor from a Seller (i) which was an Eligible Seller at the time such Receivable was acquired by the Transferor, (ii) which is not the subject of any Event of Bankruptcy as of such date of determination, and (iii) with respect to which, no event has occurred which has caused, or which, with the giving of notice or the passage of time or both, would cause, the creation of a lien on the accounts receivable of such Seller or proceeds

thereof under the terms of any mortgage, agreement, document, instrument or filing governing or related to any Indebtedness of such Seller;

(b) which constitutes an “account” within the meaning of Article 9 of the Uniform Commercial Code of the state whose law governs the perfection of the interest granted in it;

(c) which (i) represents an enforceable obligation of such Obligor to pay the full Unpaid Balance thereof, subject to adjustment in accordance with the related Purchase Agreement, in the case of an Unbilled Receivable; provided, that the following may not be considered an “Eligible Receivable” hereunder: (A) if such date of determination occurs during any Level Two Enhancement Period with respect to the related Seller, the portion of the Unpaid Balance of such Receivable constituting taxes, levies, imposts, duties, charges, fees, deductions or withholdings, imposed, levied, collected or withheld or assessed by any Governmental Authority having taxing authority, (B) the portion of the Unpaid Balance of any Receivable constituting fees or charges for late payments with respect to such Receivable and (C) the portion of the Unpaid Balance of any Receivable constituting fees or charges based on rates that are either not approved or are pending final order approval by the applicable state public utility commission (to the extent such approval is required); and (ii) is not subject to any disputes in whole or in part, or to any offset, right of rescission, counterclaim or defense;

(d) which is not a Charged-Off Receivable;

(e) which is denominated and payable only in Dollars in the United States of America;

(f) which arose in the ordinary course of business from the sale of services by the related Seller, and not by any other Person in whole or in part;

(g) (i) which is not a Payment Plan Receivable or (ii) in the case of any Receivable due from an Obligor described in the defined term “Payment Plan Obligor”, which is not unpaid in whole or in part for more than thirty (30) days after its original invoice date;

(h) which together with the Contract related thereto, does not contravene any law, rule or regulation applicable thereto (including, without limitation, any law, rule, and regulation relating to truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy) and with respect to which the related Seller is not in violation of any law, rule or regulation in connection with such Receivable or related Contract, in each case, which in any way renders it unenforceable or would otherwise impair in any material respect the collectibility of such Receivable;

(i) which is an account receivable representing all or part of the sales price of merchandise, insurance or services within the meaning of Section 3(c)(5) of the Investment Company Act;

(j) with respect to which the related Seller has satisfied and fully performed all obligations on its part required to be fulfilled by it (including without limitation, the performance of all services and, except with respect to any Unbilled Receivable, the delivery of a Customer

Bill with respect thereto) and no further action is required to be performed by any Person with respect thereto other than payment thereon by the related Obligor;

(k) with respect to which the Transferor has good and marketable title thereto free and clear of all Liens (except for Permitted Liens) and with respect to which all right, title and interest thereto has been the subject of a valid transfer from the related Seller to the Transferor in accordance with the related Purchase Agreement;

(l) with respect to which the Administrative Agent has a valid and first priority perfected security interest subject only to Permitted Liens;

(m) with respect to which no consent, approval or authorization is required for the assignment and sale thereof to the Transferor or for the grant of a security interest therein by the Transferor to the Administrative Agent (including, without limitation, any consent of the Obligor thereof, any Governmental Authority or any related Seller thereof);

(n) with respect to which the related Contract does not contain a confidentiality provision that purports to restrict the ability of the Administrative Agent or any Funding Agent to exercise its rights under this Agreement, including, without limitation, the right to review such Contract;

(o) which is the legal, valid and binding payment obligation of the Obligor thereon, enforceable against such Obligor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law);

(p) which, pursuant to the Contract related thereto, is required to be paid in full within thirty (30) days of the date of the original Customer Bill therefor; and

(q) which, if the Seller thereof is Appalachian Power Company, arose in connection with the sale and delivery of electricity, gas or other related services in the Commonwealth of Virginia or such other service areas consented to in writing by the Majority Purchasers; and

(r) which, to the extent not otherwise excluded pursuant to clauses (a) through (q) above, is not a Final Bill Receivable that is unpaid in whole or in part for more than thirty (30) days after the original invoice date of such Receivable.

"Eligible Seller" shall mean, as of any date of determination, each Seller:

(a) which is an Affiliate of Transferor and a wholly-owned Subsidiary of Parent;

(b) which is not the subject of any Event of Bankruptcy;

(c) which (i) has not (A) failed to pay any Indebtedness in excess of the applicable amount set forth opposite such Seller's name on Schedule 6, as such schedule may be supplemented by the Transferor with the approval of the Funding Agents at the time of the designation of any additional Seller hereunder, when due; or (B) defaulted in the performance of

any term, provision or condition contained in any agreement under which any such Indebtedness was created or is governed, the effect of which is to cause, or permit the holder or holders of such Indebtedness to cause, such Indebtedness to become due prior to its stated maturity; or (ii) with respect to which any such Indebtedness has not been declared to be due and payable or required to be prepaid (other than by a regularly scheduled payment) prior to the date of maturity thereof;

(d) which is a party to First-Tier Agreements which (i) are in full force and effect and (ii) are the legal, valid and binding obligations of such Seller;

(e) which has not failed to make any payment, transfer or deposit on or before the date such payment, transfer or deposit is required under the terms of any Transaction Document which failure remains unremedied for two (2) Business Days;

(f) which has not failed to perform or observe any covenants or agreements not described in clause (e) above and set forth in any Transaction Document, which failure continues unremedied for thirty (30) days after the earlier to occur of (i) the date upon which such Seller obtains knowledge of such failure or (ii) the date on which written notice of such failure, requiring the same to be remedied, shall have been given to such Seller by the Administrative Agent or the Transferor;

(g) with respect to which no representation or warranty made by it in any Transaction Document proves to have been incorrect in any material respect when made which failure, if capable of being remedied, continues unremedied for thirty (30) days after the earlier to occur of (i) the date upon which such Seller obtains knowledge thereof or (ii) the date on which written notice of such failure, requiring the same to be remedied, shall have been given to such Seller by the Administrative Agent or the Transferor;

(h) which shall not have a ratio of Consolidated Debt to Consolidated Capital as of the last day of the March, June, September or December then most recently ended, of greater than 0.675 to 1.00;

(i) with respect to which no Judgment Event shall have occurred and be continuing;

(j) with respect to which, no event has occurred which has caused, or which, with the giving of notice or the passage of time or both, could cause, the creation of a lien on the accounts receivable of such Seller or proceeds thereof under the terms of any mortgage, agreement, document, instrument or filing governing or related to any Indebtedness of such Seller;

(k) for which none of following events has occurred with respect to the Receivables originated by it:

(i) the Three Month Average Past Due Ratio for any Monthly Period exceeds the Past Due Ratio Trigger for such Seller;

(ii) the Three Month Average Loss Ratio for any Monthly Period exceeds the Loss Ratio Trigger for such Seller;

(iii) the Three Month Average Gross Loss-to-Liquidation Ratio for any Monthly Period exceeds the Loss-to-Liquidation Ratio Trigger for such Seller; or

(iv) the Three Month Average Days Sales Outstanding for any Monthly Period exceeds the DSO Trigger for such Seller;

(l) if the Seller is OPC, no Servicer Default has occurred under, and as such term is defined in, the OPC Servicing Agreement; and

(m) if the Seller is OPC, no term or provision of the OPC Bond Sale Agreement or the OPC Servicing Agreement has been amended, waived or otherwise modified in any manner which, in the judgment of the Administrative Agent, has an adverse effect on the Administrative Agent's, the Funding Agents' or the Purchasers' interests under any Transaction Document.

"Eligible Servicer" shall mean American Electric Power Service Corporation, or, if American Electric Power Service Corporation is not acting as Servicer, an entity (a) whose appointment as Servicer has been approved by the Funding Agents and (b) which is legally qualified to perform the duties of Servicer hereunder.

"Equity-Preferred Securities" means (i) debt or preferred securities that are mandatorily convertible or mandatorily exchangeable into common shares of a Person and (ii) any other securities, however denominated, including but not limited to hybrid capital and trust originated preferred securities, (A) issued by a Person or any Consolidated Subsidiary of such Person, (B) that are not subject to mandatory redemption or the underlying securities, if any, of which are not subject to mandatory redemption, (C) that are perpetual or mature no less than 30 years from the date of issuance, (D) the indebtedness issued in connection with which, including any guaranty, is subordinate in right of payment to the unsecured and unsubordinated indebtedness of the issuer of such indebtedness or guaranty, and (E) the terms of which permit the deferral of the payment of interest or distributions thereon to a date occurring after the "Termination Date" as defined in the Parent Credit Agreement on the date hereof.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" shall mean any trade or business (whether or not incorporated) that is treated as a single employer with the Parent under Section 414 of the Code.

"Eurodollar Rate" shall mean for each Eurodollar Tranche and the relevant Tranche Period:

(x) with respect to a CP Funding Purchaser Group, the rate per annum (rounded, if necessary, to the next higher 1/16 of 1%) equal to the sum of (i) (a) the applicable British Bankers' Association Interest Settlement Rate for deposits in U.S. dollars appearing on Reuters Screen FRBD as of 11:00 a.m. (London time) two London Business Days prior to the first day of the relevant Tranche Period, and having a maturity equal to such Tranche Period, *provided that*, (i) if the rate appearing on such screen shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement, (ii) if Reuters Screen FRBD is not providing the applicable British Bankers' Association

Interest Settlement Rate for any reason, the applicable Eurodollar Rate for the relevant Tranche Period shall instead be the applicable British Bankers' Association Interest Settlement Rate for deposits in U.S. dollars as reported by any other generally recognized financial information service as of 11:00 a.m. (London time) two London Business Days prior to the first day of such Tranche Period, and having a maturity equal to such Tranche Period, and (iii) if no such British Bankers' Association Interest Settlement Rate is available to the Administrative Agent, the applicable Eurodollar Rate for the relevant Tranche Period shall instead be the rate determined by the Administrative Agent to be the rate at which JPMorgan offers to place deposits in U.S. dollars with first-class banks in the London interbank market at approximately 11:00 a.m. (London time) two London Business Days prior to the first day of such Tranche Period, in the approximate amount to be funded at the Eurodollar Rate and having a maturity equal to such Tranche Period, divided by (b) one minus the maximum aggregate reserve requirement (including all basic, supplemental, marginal or other reserves) which is imposed against the Administrative Agent in respect of Eurocurrency liabilities, as defined in Regulation D of the Board of Governors of the Federal Reserve System as in effect from time to time (expressed as a decimal), applicable to such Tranche Period plus (ii) the Applicable Margin; or

(y) with respect to a Balance Sheet Purchaser Group, the rate per annum equal to (a) the rate per annum appearing on page BBAM on the Bloomberg Terminal (successor to Telerate page 3750) (or any other page that may replace such page from time to time for the purpose of displaying offered rates of leading banks for London interbank deposits having a maturity equal to such Tranche Period in United States dollars) at approximately 11:00 a.m. (London time) two London Business Days prior to the first day of such Tranche Period; *provided that* (i) if the rate appearing on such screen shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement and (ii) in the event no such rate is shown, the LIBOR Rate shall be the rate per annum (rounded upwards, if necessary, to the nearest 1/100th of one percent) based on the rates at which Dollar deposits for duration of the relevant Tranche Period are displayed on page "LIBOR" of the Reuters Screen as of 11:00 a.m. (London time) two London Business Days prior to the first day of such Tranche Period (it being understood that if at least two (2) such rates appear on such page, the rate will be the arithmetic mean of such displayed rates); *provided further, that* in the event fewer than two (2) such rates are displayed, or if no such rate is relevant, the LIBOR Rate shall be the rate per annum equal to the average of the rates at which deposits in Dollars are offered by the related Committed Purchaser at approximately 11:00 a.m. (London time) two London Business Days prior to the first day of such Tranche Period to prime banks in the London interbank market for the duration of the relevant Tranche Period, divided by (b) one minus the maximum aggregate reserve requirement (including all basic, supplemental, marginal or other reserves) which is imposed against the Administrative Agent in respect of Eurocurrency liabilities, as defined in Regulation D of the Board of Governors of the Federal Reserve System as in effect from time to time (expressed as a decimal), applicable to such Tranche Period.

"Eurodollar Tranche" shall mean, with respect to any Purchaser Group, any portion of the Capital of the Purchaser Interests of such Purchaser Group that has been designated by the

applicable Funding Agent to be funded with or the funding of which is being maintained with borrowing of loans at an interest rate based on the Eurodollar Rate as calculated for such Tranche Period.

“Event of Bankruptcy” shall mean, for any Person:

- (a) that such Person shall admit in writing its inability, or fail generally, to pay its debts as they become due; or
- (b) (i) a proceeding shall have been instituted in a court having jurisdiction in the premises seeking a decree or order for relief in respect of such Person in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator, conservator or other similar official of such Person or for any substantial part of its property, or for the winding-up or liquidation of its affairs and (ii) either such proceedings shall remain undismissed or unstayed for a period of sixty (60) days or any of the actions sought in such proceedings shall occur, provided that the grace period allowed for by this clause (ii) shall not apply to any proceeding instituted against the Transferor or to any proceeding instituted by an Affiliate of such Person in furtherance of any of the actions set forth in the preceding clause (i); or
- (c) the commencement by such Person of a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or such Person’s consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator, conservator or other similar official of such Person or for any substantial part of its property, or any general assignment for the benefit of creditors; or
- (d) if such Person is a corporation or a limited liability company, such Person or any Subsidiary of such Person shall take any corporate or limited liability company action in furtherance of any of the actions set forth in the preceding clause (a), (b) or (c).

“Excess Concentration Amount” shall mean, at any time for any Seller, an amount equal to the excess, if any, of (i) the aggregate Unpaid Balance of all Eligible Receivables originated by such Seller of each Obligor and its Affiliates during the most recently ended Monthly Period as set forth in the most recent Monthly Report over (ii) the product of (a) the Obligor Limit, multiplied by (b) the Seller Receivables Balance for such Seller as of the last day of the most recently ended Monthly Period as set forth in the most recent Monthly Report.

“Excess Payment Plan Amount” shall mean, at any time for any Seller, an amount equal to the excess, if any, of (i) the aggregate Unpaid Balance of all Eligible Receivables, that are or will be due and payable within no more than thirty (30) days, due from Payment Plan Obligors as set forth in the most recent Monthly Report minus (ii) the product of (a) 7.5%, multiplied by (b) the Seller Receivables Balance for such Seller as of the last day of the most recently ended Monthly Period as set forth in the most recent Monthly Report.

“Excess Unbilled Receivables Amount” shall mean, at any time for any Seller, an amount equal to the excess, if any, of (i) the aggregate Unpaid Balance of the Eligible Receivables

originated by such Seller consisting of Unbilled Receivables as of the last day of the most recently ended Monthly Period as set forth in the most recent Monthly Report over (ii) the product of (a) the Applicable Unbilled Receivables Limit with respect to such Seller at such time, multiplied by (b) the Seller Receivables Balance for such Seller as of the last day of the most recently ended Monthly Period as set forth in the most recent Monthly Report.

“Existing Commitment Termination Date” has the meaning set forth in Section 1.6(a).

“Existing RPA” has the meaning set forth in the preliminary statement to this Agreement.

“Expense Subaccount” shall have the meaning specified in Section 2.1(b).

“Facility Fee” shall have, with respect to any Purchaser Group, the meaning set forth in the Fee Letter.

“FATCA” means Section 1471 through 1474 of the Code and any regulations or official interpretations thereof (including any revenue ruling, revenue procedure, notice or similar guidance issued by the United States Internal Revenue Service thereunder as a precondition to relief or exemption from taxes under such Sections, regulations and interpretations).

“Federal Funds Effective Rate” means, for any period, a fluctuating interest rate per annum for each day during such period equal to (a) the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the preceding Business Day) by the Federal Reserve Bank of New York in the Composite Closing Quotations for U.S. Government Securities; or (b) if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 11:30 a.m. (New York time) for such day on such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

“Fee Letter” shall mean the Fee Letter dated as of the date hereof by and between the Transferor and the Funding Agents, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Final Bill Receivable” shall mean any Receivable, for which a Customer Bill designated as a “final bill” or “final invoice” has been rendered to the Obligor thereof for any reason, whether at the request of such Obligor or not, including, without limitation, due to a change of address of such Obligor, an Event of Bankruptcy with respect to such Obligor or because such Receivable remained unpaid in whole or in part for more than one hundred twenty (120) days after its original invoice date, in each case, in accordance with the related Seller’s Credit and Collection Procedure.

“First-Tier Agreements” shall mean each of the Purchase Agreements and Agency Agreements.

“Funding Agents” means each of the Persons identified on Schedule 1 hereto as a “Funding Agent”, and each other Person specified as such in the Assignment Agreement or

Joinder Agreement pursuant to which such Person became party hereto, and their respective successors and permitted assigns.

“Funding Agreement” means this Agreement and any agreement or instrument executed by any Funding Source with or for the benefit of a Conduit Purchaser which provides liquidity or other support for such Conduit Purchaser’s investment in Purchaser Interests.

“Funding Amount” has the meaning set forth in Section 1.2(a).

“Funding Percentage” shall mean, with respect to any Purchaser Group at any time, a percentage equal to (i) the aggregate Commitments of the Committed Purchasers in such Purchaser Group at such time, divided by (ii) the Aggregate Commitment at such time.

“Funding Source” shall mean any Committed Purchaser or any Program Support Provider.

“GAAP” shall mean generally accepted accounting principles applied on a consistent basis, set forth in the Opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants and/or in statements of the Financial Accounting Standards Board and/or in such other statement by such other entity as the Funding Agents may reasonably approve, which are applicable as of the date in question. The requisite that such principles be applied on a consistent basis shall mean that the accounting principles observed in a current period are comparable in all material respects to those applied in a preceding period. Unless otherwise indicated herein, all accounting terms shall be defined in accordance with GAAP.

“Gavin Lease” shall mean that certain Lease Agreement, dated as of January 25, 1995, as amended, between JMG Funding, Limited Partnership and OPC.

“Governmental Authority” shall mean any nation or government, any state or other political subdivision thereof, and any agency, department or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“Government Receivables Amount” shall mean as of any date of determination for any Seller, the amount equal to the product of (a) the amount by which (i) the ratio (expressed as a percentage), the *numerator* of which is the aggregate face amount of the Billed Receivables generated by such Seller during the Monthly Period most recently ended, which arose from sales to the United States federal government or any agency, department or instrumentality thereof and the denominator of which is the Seller Sales for such Seller during such Monthly Period exceeds (ii) 5% and (b) the Seller Sales for such Seller during the Monthly Period most recently ended.

“Gross Loss Ratio” shall mean, for any Monthly Reporting Period for any Seller, the quotient, expressed as a percentage, of (i) the sum, without duplication, of the aggregate gross Unpaid Balance of (A) all Receivables (excluding Final Bill Receivables) originated by such Seller which are unpaid in whole or in part for more than ninety (90) days but less than one hundred twenty-one (121) days after the original invoice date of each such Receivable, determined as of the last day of such Monthly Reporting Period, (B) all Receivables, net of any applied Customer Deposits, which (x) are Final Bill Receivables and (y) at the time such Receivable first became a Final Bill Receivable, was unpaid in whole or in part for more than

ninety (90) days but less than one hundred twenty-one (121) days after its original invoice date, in each case, as of the last day of such Monthly Reporting Period and (C) the sum of all Charged-Off Receivables which, at the time such Receivable became a Charged-Off Receivable, was unpaid in whole or in part for less than one hundred twenty-one (121) days after its original invoice date, divided by (ii) the Seller Sales for such Seller during the Monthly Period ending three (3) Monthly Periods prior to such Monthly Period.

“Gross Loss-to-Liquidation Ratio” shall mean, for any Monthly Reporting Period for any Seller, the *quotient*, expressed as a percentage, of (i) the aggregate gross Unpaid Balance of all Receivables originated by such Seller which became Charged-off Receivables during the Monthly Period ending immediately prior to the first day of such Monthly Reporting Period *divided by* (ii) the aggregate amount of Collections received by the Transferor or such Seller with respect to Receivables originated by such Seller during such Monthly Period.

“Guaranty” of any Person means any obligation, contingent or otherwise, of such Person (i) to pay any Debt of any other person or (ii) incurred in connection with the issuance by a third person of a Guaranty of Debt of any other Person (whether such obligation arises by agreement to reimburse or indemnify such third Person or otherwise).

“Incremental Purchase” means a purchase of one or more Purchaser Interests which increases the total outstanding Aggregate Capital hereunder.

“Indebtedness” of any Person shall mean all items (other than capital stock, capital surplus, retained earnings and deferred credits) which would be included on the liability side of a balance sheet in accordance with GAAP.

“Indemnified Party” shall mean each Conduit Purchaser, each Committed Purchaser, each Funding Agent, the Administrative Agent, each Program Support Provider, each CP Issuer and each or any of their respective officers, directors, employees, agents or representatives.

“Indemnity Amount” shall mean any amounts owed by Transferor pursuant to any provision in Article X.

“Independent Director” shall mean a member of the Board of Directors of the Transferor who (i) shall not have been at the time of such Person’s appointment or at any time during the preceding five years, and shall not be as long as such Person is a director of the Transferor, (A) a director, officer, employee, partner, shareholder, member, manager or Affiliate of any of the following Persons (collectively, the “Independent Parties”): the Transferor, any Seller, or any of their respective Subsidiaries or Affiliates, (B) a supplier to any of the Independent Parties, (C) a Person controlling or under common control with any partner, shareholder, member, manager, Affiliate or supplier of any of the Independent Parties, or (D) a member of the immediate family of any director, officer, employee, partner, shareholder, member, manager, Affiliate or supplier of any of the Independent Parties; (ii) has prior experience as an independent director for a corporation or limited liability company whose charter documents required the unanimous consent of all independent directors thereof before such corporation or limited liability company could consent to the institution of bankruptcy or insolvency proceedings against it or could file a petition seeking relief under any applicable federal or state law relating to bankruptcy and (iii)

has at least three years of employment experience with one or more entities that provide, in the ordinary course of their respective businesses, advisory, management or placement services to issuers of securitization or structured finance instruments, agreements or securities.

“Interest Amount” has the meaning set forth in Section 3.1.

“Investment Company Act” shall mean the Investment Company Act of 1940, as amended.

“Joinder Agreement” shall mean a joinder agreement substantially in the form set forth in Exhibit M pursuant to which a new Purchaser Group becomes a party to this Agreement.

“JPMorgan” shall mean JPMorgan Chase Bank, N.A., in its individual capacity and its successors.

“Judgment Event” means, with respect to any Seller, that any final judgment or order for the payment of money in excess of \$50,000,000 (or \$25,000,000 in the case of any Seller which is not a Significant Subsidiary of the Parent or AEP Utilities) and not covered by insurance shall be rendered against such Seller and, either (x) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (y) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect.

“Level One Enhancement Period” for any Seller shall mean any period during which such Seller’s Debt Rating shall be BBB- or higher as rated by S&P and Baa3 or higher as rated by Moody’s.

“Level Two Enhancement Period” for any Seller shall mean any period during which such Seller’s Debt Rating shall be withdrawn or lower than BBB- as rated by S&P or Baa3 as rated by Moody’s.

“Lien” shall mean, when used with respect to any Person, any mortgage, lien, pledge, encumbrance, charge, retained security title of a conditional vendor or lessor, security interest or other right or claim in or on such Person’s assets or properties in favor of any other Person.

“Liquidity Agreement” shall mean, with respect to any Conduit Purchaser, the liquidity asset purchase agreement, liquidity loan agreement or other agreement among such Conduit Purchaser, the Committed Purchasers with respect to such Conduit Purchaser and the related Funding Agent, in each case, as the same may be amended, supplemented or otherwise modified from time to time.

“Lock-Box” means each postal box or code listed on Schedule 2-B over which is subject to a P.O. Box Transfer Notice.

“London Business Day” shall mean any Business Day on which dealings in deposits in U.S. dollars are transacted in the London interbank market and banking institutions in London are not authorized or obligated by law or regulation to close.

“Loss Horizon Factor” shall mean, for any Monthly Reporting Period for any Seller, a fraction, the *numerator* of which equals the sum of (a) the aggregate Seller Sales for such Seller during the two Monthly Periods ending immediately prior to the first day of such Monthly Reporting Period and the immediately preceding Monthly Period and (b) the aggregate Unpaid Balance of Unbilled Receivables originated by such Seller as of the end of the Monthly Period ending immediately prior to the first day of such Monthly Reporting Period, and the *denominator* of which equals the Net Seller Receivables Balance for such Seller as of the end of such Monthly Period.

“Loss Ratio” shall mean, for any Monthly Period for any Seller, the *quotient*, expressed as a percentage, of (a) the aggregate Unpaid Balance of all Receivables originated by such Seller which are unpaid in whole or in part for more than 90 days after their original invoice dates as of the end of such Monthly Period *divided by* (b) the aggregate Unpaid Balance of all Billed Receivables originated by such Seller as of the end of such Monthly Period; provided, however, that in the case of Kingsport Power Company, neither of clauses (a) or (b) above shall include Receivables the Obligor of which is Chiquola Fabrics LLC.

“Loss Ratio Trigger” shall mean, for any Seller, the percentage specified on the chart below for such Seller.

<u>Seller</u>	<u>Loss Ratio Trigger</u>
Appalachian	<u>For the Monthly Periods of April, May, June and July of 2020, 8.00% and thereafter, 5.00%</u>
Indiana Michigan	<u>For the Monthly Periods of April, May, June and July of 2020, 7.50% and thereafter, 3.00%</u>
Kentucky Power	<u>For the Monthly Periods of April, May, June and July of 2020, 15.00% and thereafter, 3.00%</u>
Kingsport	<u>For the Monthly Periods of April, May, June and July of 2020, 6.00% and thereafter, 5.50%</u>
OPC	<u>For the Monthly Periods of April, May, June and July of 2020, 8.50% and thereafter, 6.00%</u>
Public Service Co of Oklahoma	<u>For the Monthly Periods of April, May, June and July of 2020, 5.50% and thereafter, 3.50%</u>

<u>Seller</u>	<u>Loss Ratio Trigger</u>
Southwestern Power	<u>For the Monthly Periods of April, May, June and July of 2020, 6.00% and thereafter, 3.00%</u>

“Loss Reserve Floor” shall mean for any Seller, the percentage specified on the chart below for such Seller during the applicable enhancement period.

<u>Seller</u>	<u>Loss Reserve Floor</u>
Appalachian	10%
Indiana Michigan	7.25%
Kentucky Power	8%
Kingsport	10%
OPC	8.5%
Public Service Co of Oklahoma	7%
Southwestern Power	7%

“Loss Reserve Ratio” shall mean, for any Monthly Reporting Period for any Seller, the greater of (a) the Loss Reserve Floor for such Seller, and (b) a percentage calculated in accordance with the following formula:

$$\text{LRR} = \text{ARR} \times \text{ASF} \times \text{LHF}, \text{ where}$$

LRR = the Loss Reserve Ratio;

ARR = the highest three-month rolling average of the Gross Loss Ratios for such Seller for such Monthly Reporting Period and the eleven (11) immediate preceding Monthly Reporting Periods;

ASF = the Applicable Stress Factor; and

LHF = the Loss Horizon Factor for such Seller for such Monthly Reporting Period.

“Loss-to-Liquidation Ratio Trigger” shall mean, for any Seller, the percentage specified on the chart below for such Seller.

<u>Seller</u>	<u>Loss-to-Liquidation Ratio Trigger</u>
Appalachian	1.25%
Indiana Michigan	1.00%
Kentucky Power	1.25%
Kingsport	1.00%
OPC	1.50%
Public Service Co of Oklahoma	1.25%
Southwestern Power	1.00%

“Majority Purchasers” shall mean (a) with respect to any date of determination prior to the Amortization Date (i) at any time that there are three (3) or fewer Purchaser Groups party hereto, Funding Agents for Purchaser Groups whose Committed Purchasers hold more than 66.67% of the Commitments and (ii) at all other times, Funding Agents for Purchaser Groups whose Committed Purchasers hold more than 50.00% of the Commitments (it being understood and agreed that, solely for purposes of this clause (a), the Commitment of a Non-Extending Purchaser Group shall be the portion of the Aggregate Capital then funded or maintained by the Purchasers in such Purchaser Group) and (b) with respect to any date of determination on or after the Amortization Date (i) at any time that there are three (3) or fewer Purchaser Groups party hereto, Funding Agents for Purchaser Groups whose Purchasers are then funding or maintaining more than 66.67% of the Aggregate Capital or (ii) at all other time, Funding Agents for Purchaser Groups whose Purchasers are then funding or maintaining more than 50.00% of the Aggregate Capital.

“Match Funding Conduit Purchaser” shall mean each Conduit Purchaser that is identified as a “Match Funding Conduit Purchaser” on Schedule 1 or in the Assignment Agreement or Joinder Agreement pursuant to which it becomes a party hereto; provided, however, that any Match Funding Conduit Purchaser may elect to be a Pool Funding Conduit Purchaser for all purposes of any CP Tranche upon written notice to the Transferor given prior to the effectiveness of such election.

“Material Adverse Effect” shall mean, with respect to any Person and any event or circumstance, a material adverse effect on (a) the business, financial condition, operations or assets of such Person and its consolidated Subsidiaries, (b) the ability of such Person to perform its material obligations under any Transaction Document to which it is a party, (c) the validity or enforceability of, or collectibility of, amounts payable by such Person under any Transaction Document to which it is a party, (d) the status, existence, perfection or priority of the interest of

the Transferor or the Administrative Agent in the Receivables, the Related Security with respect thereto or the Collections, or (e) the validity, enforceability or collectibility of all or any material portion of the Receivables.

“Monthly Agent Fee” shall mean for any Agent, the fee payable to the Agent under the Agency Agreement to which it is a party; provided, however, that after an Agent Transfer under such Agency Agreement, the Monthly Agent Fee with respect to each Monthly Period payable to the successor Agent thereunder on each Settlement Date shall be an amount agreed upon between the Transferor and such successor Agent, which shall reflect then current market rates for servicing comparable receivables, provided that the compensation to any successor Agent shall not exceed 110% of such successor Agent’s costs and expenses of performing its duties under such Agency Agreement.

“Monthly Period” shall mean a calendar month.

“Monthly Program Fees” shall mean, with respect to any Settlement Date, the sum of the Administration Fee, the Facility Fees and the Program Fees due and payable under the Fee Letter on such Settlement Date.

“Monthly Report” means a report, in substantially the form of Exhibit I (appropriately completed), furnished by the Servicer to the Administrative Agent pursuant to Section 7.3(e).

“Monthly Report Date” shall mean the nineteenth (19th) day of each calendar month, or if such day is not a Business Day, the immediately succeeding Business Day.

“Monthly Reporting Period” shall mean the period from and including a Monthly Report Date to but excluding the next succeeding Monthly Report Date.

“Monthly Servicing Fee” has the meaning set forth in Section 7.6.

“Moody’s” shall mean Moody’s Investors Service, Inc.

“Net Eligible Receivables Balance” shall mean, as of any date of determination, the sum of the Net Seller Receivables Balance for each Applicable Seller on such date.

“Net Seller Receivables Balance” shall mean, as of any date of determination for any Seller, the excess of (a) the Seller Receivables Balance for such Seller on such date over (b) the Adjustment Amount for such Seller on such date; provided that for purposes of any Weekly Report, the “Net Seller Receivables Balance” shall mean the Weekly Derived NERB for such Seller as of the end of the applicable week.

“Non-extending Committed Purchaser” has the meaning set forth in Section 1.6(a).

“Non-extending Purchaser Group” means a Purchaser Group with respect to which all Committed Purchasers in the related Purchaser Group have declined to extend the related Commitment Termination Date and no such Committed Purchaser has been replaced as provided in Section 1.6.

“Obligor” shall mean, with respect to any Receivable, the Person or Persons obligated pursuant to the related Contract to make payments in respect thereof.

“Obligor Limit” shall mean, for any Seller, the percentage specified on the chart below for such Seller.

<u>Seller</u>	<u>Obligor Limit</u>
Appalachian	1.25%
Indiana Michigan	1.31%
Kentucky Power	1.50%
Kingsport	1.50%
OPC	2.00%
Public Service Co of Oklahoma	1.25%
Southwestern Power	1.25%

“Officer’s Certificate” shall mean, unless otherwise specified in this Agreement, a certificate delivered as provided herein, signed by: (a) an Authorized Officer of the Transferor or the Servicer, as the case may be, or (b) by the President, any Vice President or the financial controller of any Successor Servicer (or by an officer holding an office with equivalent or more senior responsibilities).

“OPC” means Ohio Power Company, an Ohio corporation.

“OPC Bond Sale Agreement” means the Phase-In-Recovery Property Purchase and Sale Agreement, dated as of August 1, 2013 between the OPC Initial Bond Issuer and OPC, in its capacity as seller, as amended, restated, supplemented or otherwise modified from time to time.

“OPC Initial Bond Issuer” means Ohio Phase-In-Recovery Funding LLC, a Delaware limited liability company.

“OPC Intercreditor Agreement” means the Intercreditor Agreement dated as of August 1, 2013 among U.S. Bank National Association, a national banking association, in its capacity as indenture trustee, OPC, the OPC Initial Bond Issuer, AEP Credit, Inc., the Servicer, and the Administrative Agent, as amended, restated, supplemented or otherwise modified from time to time.

“OPC Servicing Agreement” means the Phase-in-Recovery Servicing Agreement dated as of August 1, 2013 between the OPC Initial Bond Issuer and OPC, as amended, restated, supplemented or otherwise modified from time to time.

“Opinion of Counsel” shall mean a written opinion of counsel, who may be counsel for, or an employee of, the Person providing the opinion and who shall be reasonably acceptable to the Administrative Agent.

“Other Taxes” has the meaning set forth in Section 10.7(b).

“Parent” shall mean American Electric Power Company, Inc., a New York corporation.

“Parent Affiliated Group” shall mean the Parent and each of its Affiliates other than the Transferor.

“Parent Credit Agreement” shall mean that certain Credit Agreement dated as of June 23, 2010, among the Parent and certain of its Subsidiaries, as borrowers, and J.P. Morgan Chase Bank, N.A., as administrative agent for the lenders party thereto.

“Participant” has the meaning set forth in Section 12.3.

“Past Due Ratio” shall mean, for any Monthly Period for any Seller, the *quotient*, expressed as a percentage, of (a) the aggregate Unpaid Balance of all Receivables originated by such Seller which remain unpaid in whole or in part more than sixty (60) days after their respective original invoice dates as of the end of such Monthly Period *divided by* (b) the aggregate Unpaid Balance of all Billed Receivables originated by such Seller as of the end of such Monthly Period; provided, however, that in the case of Kingsport Power Company, neither of clauses (a) or (b) above shall include Receivables of the Obligor of which is Chiquola Fabrics LLC.

“Past Due Ratio Trigger” shall mean, for any Seller, the percentage specified on the chart below for such Seller.

<u>Seller</u>	<u>Past Due Ratio Trigger</u>
Appalachian	<u>For the Monthly Periods of April, May, June and July of 2020, 14.00% and thereafter, 10.0%</u>
Indiana Michigan	<u>For the Monthly Periods of April, May, June and July of 2020, 14.00% and thereafter, 7.25%</u>
Kentucky Power	<u>For the Monthly Periods of April, May, June and July of 2020, 30.00% and thereafter, 9.0%</u>
Kingsport	<u>For the Monthly Periods of April, May, June and July of 2020, 12.00% and thereafter, 9.50%</u>

OPC	[+6.5%] <u>For the Monthly Periods of April, May, June and July of 2020, 24.00% and thereafter, 16.50%</u>
Public Service Co of Oklahoma	<u>For the Monthly Periods of April, May, June and July of 2020, 14.00% and thereafter, 11.0%</u>
Southwestern Power	<u>For the Monthly Periods of April, May, June and July of 2020, 14.00% and thereafter, 8.0%</u>

“Payment Plan Obligor” shall mean any Person, on any date of determination, which is either (i) in connection with a Percentage of Income Payment Plan Receivable, is the Obligor with respect to that portion of such Receivable which is not payable by a third party on such date, or (ii) both (a) an Obligor with respect to Eligible Receivables on such date, and (b) an Obligor with respect to Deferred Payment Plan Receivables on such date.

“Payment Plan Receivable” shall mean a Receivable which is (i) a Deferred Payment Plan Receivable or (ii) a Percentage of Income Payment Plan Receivable.

“PBGC” shall mean the Pension Benefit Guaranty Corporation.

“Percentage of Income Payment Plan Receivable” shall mean that portion of a Receivable which is payable by a third party, not the user of the electricity, gas or other services the sale of which are the subject of such Receivable, pursuant to a percentage of income plan or similar arrangement approved by the Public Utility Commission of Ohio under which low income utility customers pay a percentage of their income toward their utility bills regardless of the level of services delivered by the related Seller.

“Permitted Assignee” means any of those financial institutions whose names are set forth on Schedule 9.

“Permitted Lien” shall mean any Lien created under the Transaction Documents and liens for current taxes, assessments or other governmental charges or levies not delinquent or for taxes, assessments or other government charges or levies being diligently contested in good faith and by appropriate proceedings, and with respect to which adequate reserves have been established.

“Person” means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

“Plan” shall mean each employee benefit plan (as defined in Section 3(3) of ERISA) currently sponsored, maintained or contributed to by the Parent and any ERISA Affiliate or with respect to which the Parent or any ERISA Affiliate has any liability.

“P.O. Box Transfer Notice” means an agreement substantially in the form of Exhibit O, or such other agreement in form and substance reasonably acceptable to the Funding Agents.

“Pool Funding Conduit Purchaser” shall mean each Conduit Purchaser that is not a Match Funding Conduit Purchaser.

“Pooled Commercial Paper” means Commercial Paper of a Conduit Purchaser (or its related CP Issuer, as applicable) subject to any particular pooling arrangement by such Conduit Purchaser or CP Issuer, but excluding Commercial Paper issued by such Conduit Purchaser or CP Issuer for a tenor and in an amount specifically requested by any Person in connection with any agreement effected by such Conduit Purchaser or CP Issuer.

“Prime Rate” shall mean the base rate on corporate loans as published in the “Money Rates” (or successor) section of The Wall Street Journal from time to time; provided, that if more than one prime rate or a range of prime rates is published, the “Prime Rate” shall be the average of such published rates. Should The Wall Street Journal cease to exist, or should The Wall Street Journal cease publishing a prime rate, the Administrative Agent will substitute a comparable index that is outside the control of the Administrative Agent. In the event of an error by The Wall Street Journal regarding the published prime rate, the “Prime Rate” will be based upon the prime rate as corrected.

“Program Fee” shall have the meaning set forth in the Fee Letter.

“Program Support Provider” shall mean and include any Person now or hereafter extending credit, or having a commitment to extend credit to or for the account of, or to make purchases from, any Conduit Purchaser or CP Issuer or issuing a letter of credit, surety bond or other instrument to support any obligations arising under or in connection with such Conduit Purchaser’s or CP Issuer’s securitization program.

“Pro Rata Share” shall mean, with respect to any Purchaser Group at any time, a percentage equal to (i) the aggregate amount of the Capital of the Purchaser Interests of such Purchaser Group at such time, divided by (ii) Aggregate Capital at such time.

“Purchase Agreements” shall mean each of those certain Purchase Agreements between the Transferor and those Sellers as described on Schedule 7, and each other Purchase Agreement entered into by the Transferor and approved in writing by the Funding Agents from time to time, in each case, as amended, restated, supplemented or otherwise modified from time to time.

“Purchase Limit” shall mean at any time the aggregate of the Purchaser Group Limits at such time.

“Purchase Notice” has the meaning set forth in Section 1.2(a).

“Purchase Price” means, with respect to any Incremental Purchase, the amount paid to Transferor for the related Purchaser Interest.

“Purchaser” shall mean a Conduit Purchaser or a Committed Purchaser.

“Purchaser Group” shall mean (a) each of the groups of Purchasers and Funding Agents identified on Schedule 1 and (b) each other group of Purchasers and the related Funding Agent specified as such in any Assignment Agreement or Joinder Agreement pursuant to which such Persons became a party hereto, and their respective successors and permitted assigns.

“Purchaser Group Limit” shall mean, with respect to any Purchaser Group on any day, the sum of the Commitments of the Committed Purchasers in such Purchaser Group on such day.

“Purchaser Interest” means, at any time, an undivided percentage ownership interest (computed as set forth below) associated with a designated amount of Capital, selected pursuant to the terms and conditions hereof in (i) each Receivable arising prior to the time of the most recent computation or recomputation of such undivided interest, (ii) all Related Security with respect to each such Receivable, and (iii) all Collections with respect to, and other proceeds of, each such Receivable. Each such undivided percentage interest shall equal:

$$\frac{C}{NERB - AR}$$

where:

C = the Capital of such Purchaser Interest.

AR = the Aggregate Reserves.

NERB = the Net Eligible Receivables Balance.

Such undivided percentage ownership interest shall be initially computed on its date of purchase. Thereafter, until the Amortization Date, each Purchaser Interest shall be automatically recomputed (or deemed to be recomputed) on each day prior to the Amortization Date. The variable percentage represented by any Purchaser Interest as computed (or deemed recomputed) as of the close of the Business Day immediately preceding the Amortization Date shall remain constant at all times thereafter. From and after the Amortization Date, the percentage interest represented by all Purchaser Interests shall be deemed to be 100% until Aggregate Capital has been reduced to zero and all amounts payable by Transferor hereunder shall have been paid in full.

“Purchaser Monthly Agent Fee” shall mean, with respect to any Settlement Date, an amount equal to the product of (a) the Monthly Agent Fee due and owing for the Monthly Period immediately preceding such Settlement Date multiplied by (b) the average aggregate Purchaser Interests during such Monthly Period.

“Purchaser Monthly Servicing Fee” shall mean, with respect to any Settlement Date, an amount equal to the product of (a) the Monthly Servicing Fee due and owing for the Monthly Period immediately preceding such Settlement Date multiplied by (b) the average aggregate Purchaser Interests during such Monthly Period.

“Purchaser Share” shall mean, with respect to any Purchaser at any time, a percentage equal to (i) the portion of the aggregate amount of the Capital of the Purchaser Interests of such Purchaser’s Purchaser Group funded by such Purchaser at such time, divided by (ii) the aggregate amount of the Capital of the Purchaser Interests of such Purchaser’s Purchaser Group at such time.

“Purchasing Committed Purchaser” has the meaning set forth in Section 12.2(b).

“Qualified Account” shall mean either (a) a segregated account with a Qualified Institution or (b) a segregated trust account with the corporate trust department of a depository institution organized under the laws of the United States of America or any one of the states thereof, or the District of Columbia (or any domestic branch of a foreign bank), and acting as a trustee for funds deposited in such account, so long as any of the unsecured, unguaranteed senior debt securities of such depository institution shall have a credit rating from each of S&P and Moody’s in one of its generic credit rating categories that signifies investment grade.

“Qualified Institution” shall mean a depository institution organized under the laws of the United States of America or any one of the states thereof, or the District of Columbia, the deposits in which are insured by the Federal Deposit Insurance Corporation and that at all times has a short-term unsecured debt rating of at least A-1 by S&P and P-1 by Moody’s.

“Rating Agency” shall mean each of S&P, Moody’s and Fitch Inc.

“Rating Request” has the meaning set forth in Section 10.4(c).

“Ratings Requirement” shall mean, with respect to any Committed Purchaser in any Purchaser Group, that (i) such Committed Purchaser has a short-term debt rating by each rating agency rating the commercial paper notes of each related Conduit Purchaser (or such Conduit Purchaser’s related CP Issuer, if any) (a “Relevant Rating Agency”) not lower than the current ratings assigned by such Relevant Rating Agency to such commercial paper notes, (ii) such Committed Purchaser’s obligations under the applicable Liquidity Agreement are guaranteed by an entity which has a short-term debt rating by each Relevant Rating Agency not lower than the current ratings assigned by such Relevant Rating Agency to such commercial paper notes or (iii) such Committed Purchaser has a short-term debt rating by each Relevant Rating Agency otherwise acceptable to the related Funding Agent.

“Receivable” with respect to any Seller, shall have the meaning ascribed thereto in the related Purchase Agreement; provided, however, that any Designated Charged-Off Receivable which is sold pursuant to Section 2.6 shall cease to be a Receivable on its related Sale Date upon the satisfaction of the conditions set forth therein. For the avoidance of doubt, CRES Amounts shall not constitute Receivables.

“Records” shall mean all documents, books, records and other media for the storage of information (including without limitation tapes, disks, punch cards, computer software and databases and related property) with respect to the Receivables, the Related Security and/or the related Obligors.

“Reduction Notice” has the meaning set forth in Section 1.3.

“Regulatory Change” has the meaning set forth in Section 10.4.

“Reinvestment” has the meaning set forth in Section 2.2(a).

“Related Security” shall mean, with respect to each Receivable, all of the Transferor’s right, title and interest, if any, in, to and under:

- (a) all security interests or liens and property subject thereto from time to time purporting to secure payment of such Receivable, whether pursuant to the Contract related to such Receivable or otherwise, together with all financing statements and security agreements describing any collateral securing such Receivable;
- (b) all guaranties, letters of credit, insurance, warranties, indemnities and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Receivable whether pursuant to the Contract related to such Receivable or otherwise;
- (c) all Records related to such Receivable;
- (d) all service contracts and other contracts and agreements associated with such Receivable;
- (e) the related First-Tier Agreements in respect of such Receivable;
- (f) the Concentration Account, the Concentration Account Agreement, the Collection Account, the Lock-Boxes, the Depositary Accounts (other than the AEP Utilities Account), the Depositary Account Agreements and the AEP Services Account Agreement; and
- (g) all proceeds of any of the foregoing.

“Repurchase Price” shall mean, with respect to any Settlement Date, after giving effect to any deposits and distributions otherwise to be made on such Settlement Date, the *sum* of (i) the Aggregate Capital on such Settlement Date *plus* (ii) all accrued and unpaid CP Costs and Yield on all Tranches with Tranche Periods ending on or prior to such Settlement Date *plus* any CP Costs and Yield to become due with respect to any outstanding Tranches on such Settlement Date *plus* (iii) all Monthly Program Fees accrued and unpaid as of such date *plus* (iv) all Indemnity Amounts and any other amounts owed to the Administrative Agent, any Funding Agent and any Purchaser pursuant to this Agreement.

“Required Daily Amount” shall mean for any Business Day, to the extent not then allocated to the Expense Subaccount pursuant to Section 2.2(a) or Section 2.3(a) on such Business Day, the sum of (a) (i) all accrued and unpaid CP Costs and Yield as of such Business Day, calculated assuming for any CP Tranche funded by a Pool Funding Conduit Purchaser, a CP Rate equal to 110% of the weighted average CP Rate most recently reported by the applicable Funding Agent pursuant to Section 3.2(b) *plus* (ii) any Additional Interest previously accrued and not paid as of such date *plus* (b) all billed and unpaid Monthly Agent Fees payable to a successor Agent after an Agent Transfer as of such Business Day *plus* (c) all billed and unpaid Monthly Servicing Fees as of such Business Day *plus* (d) all Monthly Program Fees accrued and not paid

as of such Business Day plus (e) prior to the Amortization Date all Indemnity Amounts, if any, previously due and not paid as of such Business Day plus (f) prior to the Amortization Date all Seller Indemnity Amounts, if any, previously due and not paid as of such Business Day.

“Required Notice Period” means the number of days required notice set forth below applicable to the Aggregate Reduction indicated below, provided such notice is received no later than 3:00 p.m. (New York time) on the indicated Business Day:

<u>Aggregate Reduction</u>	<u>Required Notice Period</u>
≤\$100,000,000	one Business Day
>\$100,000,000	two Business Days

“Required Rating” has the meaning set forth in Section 10.4(c).

“Required Reserves” shall mean, as of any date of determination, the sum of the Seller Reserves for each Applicable Seller on such date.

“Reseller Receivables Amount” shall mean as of any date of determination for any Seller, the amount equal to the product of (a) the amount by which (i) the ratio (expressed as a percentage), the *numerator* of which is the aggregate face amount of the Billed Receivables generated by such Seller during the Monthly Period most recently ended, which arose from sales to a reseller, wholesaler or power broker rather than an end-user, and the *denominator* of which is the Seller Sales for such Seller during such Monthly Period exceeds (ii) 5% and (b) the Seller Sales for such Seller during the Monthly Period most recently ended.

“Restatement Effective Date” means June 25, 2014.

“S&P” shall mean Standard & Poor’s, a division of The McGraw-Hill Companies, Inc.

“Sale Date” has the meaning set forth in Section 2.6.

“Sanctioned Country” means, at any time, a country or territory which is the subject or target of any Sanctions.

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State or the European Union, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the European Union or Her Majesty’s Treasury of the United Kingdom.

“Seller” shall mean (i) each Person listed on Schedule 7 and (ii) each additional Person designated from time to time by the Transferor, subject to the consent of the Funding Agents, in a written notice delivered to the Servicer, the Funding Agents and the Administrative Agent.

“Seller Amortization Event” shall mean with respect to any Seller, the occurrence of any event which causes such Seller to cease to be an Eligible Seller.

“Seller Carrying Cost Reserve” shall mean as of any date of calculation for any Seller, an amount equal to the sum of (a) the amount of the Shortfall outstanding from any Settlement Date occurring prior to such date of calculation times the Seller Percentage for such Seller on such date *plus* (b) the amount equal to (i) the product of the Yield Reserve Ratio for such Seller for the Monthly Reporting Period in which such date of calculation occurs *times* (ii) the product of the Aggregate Capital as of such date *times* the Seller Percentage for such Seller on such date.

“Seller Indemnity Amount” shall mean, with respect to any Seller, the amount of any indemnity payments actually paid by such Seller to a Depositary Account Bank pursuant to a Depositary Account Agreement arising after a Control Notice has been delivered pursuant to such Depositary Account Agreement.

“Seller Parties” shall mean the Transferor and the Servicer.

“Seller Percentage” shall mean, as of any date of determination for any Applicable Seller, the percentage equal to the Seller Receivables Balance of such Applicable Seller as of such date *divided by* the Aggregate Receivables Balance as of such date.

“Seller Receivables Balance” shall mean, as of any date of determination for any Seller, the aggregate Unpaid Balances of all Eligible Receivables originated by such Seller.

“Seller Reserves” shall mean, as of any date of determination for any Seller, an amount equal to the *product of* (i) the Net Seller Receivables Balance *multiplied by* (ii) the Applicable Reserve Ratio for such Seller for the Monthly Reporting Period in which such date of determination occurs; *provided, however*, that after the declaration or occurrence of an Amortization Event or any Seller Amortization Event with respect to such Seller, the Seller Reserves for such Seller shall equal the Seller Reserves in effect on the date of the declaration or occurrence of such Amortization Event or Seller Amortization Event.

“Seller Sales” shall mean, in respect of any period for any Seller, the aggregate face amount of the Billed Receivables generated during such period by such Seller.

“Servicer” shall have the meaning set forth in the preliminary statement to this Agreement.

“Servicer Default” shall have the meaning specified in Section 7.7.

“Service Transfer” shall have the meaning specified in Section 7.7.

“Servicing Fee Rate” shall mean 0.50%.

“Settlement Date” shall mean (i) the second Thursday of each calendar month (or if such Thursday is not a Business Day, the next succeeding Business Day) and (ii) at any time after the occurrence of any Seller Amortization Event or an Amortization Event, such additional days as identified in a written notice from the Administrative Agent to Transferor and the Servicer.

“Shortfall” has the meaning set forth in Section 3.1.

“Significant Subsidiary” shall mean, at any time with respect to any Person, any Subsidiary of such Person that constitutes at such time a “significant subsidiary” of such Person, as such term is defined in Regulation S-X of the SEC as in effect on the date hereof (17 C.F.R. Part 210); provided, however, that, in the case of the Parent, “total assets” as used in Regulation S-X shall not include securitization transition assets on the balance sheet of any Subsidiary of the Parent resulting from the issuance of transition bonds or other asset backed securities of a similar nature.

“Stranded Cost Recovery Bonds” means securities, however denominated, that are issued by the Parent or any Consolidated Subsidiary of the Parent that are (i) non-recourse to the Parent and its Significant Subsidiaries (other than for failure to collect and pay over the charges referred to in clause (ii) below) and (ii) payable solely from transition, phase-in-recovery or similar charges authorized by law (including, without limitation, any “financing order”, as such term is defined in the Texas Utilities Code or Chapter 49 of the Revised Code of the State of Ohio) to be invoiced to customers of any Subsidiary of the Parent or to retail electric providers.

“Sub-Agent” means any Person acting as the agent of an Agent for the purpose of accepting Collections from Obligors (excluding however, agents engaged solely for the purpose of collecting past-due accounts) and which is identified on Schedule 12, as such schedule may be revised from time to time by delivery to each of the Funding Agents by the Transferor of a new Schedule 12.

“Subordinated Note” shall mean that Second Amended and Restated Loan Agreement dated as of July 25, 2003 between the Transferor and the Parent, as the same may be amended, restated, supplemented or otherwise modified from time to time with the consent of each of the Purchasers.

“Sub-Servicer” shall have the meaning specified in Section 7.1(b).

“Subsidiary” shall mean, with respect to any Person, any corporation or other entity of which more than 50% of the outstanding capital stock or other ownership interests having ordinary voting power to elect a majority of the board of directors of such corporation (notwithstanding that at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency) or other persons performing similar functions is at the time directly or indirectly owned by such Person.

“Successor Servicer” shall have the meaning specified in Section 7.8(a).

“Taxes” shall have the meaning specified in Section 10.7.

“Terminating Amount” shall mean, as of any date of determination with respect to any Non-extending Purchaser Group, an amount equal to the aggregate Capital of all Purchaser Interests of such Purchaser Group as of the applicable Commitment Termination Date on which such Purchaser Group became a Non-extending Purchaser Group, minus the aggregate amount previously paid to reduce such amount prior to such date.

“Terminating Share” shall mean, with respect to any Purchaser Group for which there is a Terminating Amount, a percentage equivalent of a fraction, the *numerator* of which is equal to the Terminating Amount with respect to such Purchaser Group and the *denominator* of which is equal to the Aggregate Capital, in each case, as of the applicable Commitment Termination Date on which such Purchaser Group became a Non-extending Purchaser Group.

“Termination Notice” shall have the meaning specified in Section 7.7.

“Three Month Average Days Sales Outstanding” shall mean, for any Monthly Period for any Seller, the average of the Days Sales Outstanding for such Seller for that Monthly Period and each of the two (2) immediately preceding Monthly Periods.

“Three Month Average Dilution Ratio” shall mean, for any Monthly Period for any Seller, the average of the Dilution Ratios for such Seller for that Monthly Period and each of the two (2) immediately preceding Monthly Periods.

“Three Month Average Gross Loss-to-Liquidation Ratio” shall mean, for any Monthly Period for any Seller, the average of the Gross Loss-to-Liquidation Ratios for such Seller for that Monthly Period and each of the two (2) immediately preceding Monthly Periods.

“Three Month Average Loss Ratio” shall mean, for any Monthly Period for such Seller, the average of the Loss Ratios for such Seller for that Monthly Period and each of the two (2) immediately preceding Monthly Periods.

“Three Month Average Past Due Ratio” shall mean, for any Monthly Period for any Seller, the average of the Past Due Ratios for such Seller for that Monthly Period and each of the two (2) immediately preceding Monthly Periods.

“Tranche” shall mean a Base Rate Tranche, a CP Tranche and/or a Eurodollar Tranche.

“Tranche Period” shall mean:

(a) with respect to any CP Tranche:

(i) if such CP Tranche is funded or maintained by a Conduit Purchaser which is designated as a Match Funding Conduit Purchaser, a period of days not to exceed 270 days commencing on a Business Day selected in accordance with Section 3.2; *provided* that after the Amortization Date, each such Tranche Period shall end on or prior to the next succeeding Settlement Date; or

(ii) if such CP Tranche is funded or maintained by a Conduit Purchaser which is designated as a Pool Funding Conduit Purchaser, a Monthly Period;

(b) with respect to any Eurodollar Tranche, a period of one month, or such other period as may be acceptable to the applicable Funding Agent; *provided* that each Tranche Period with respect to a Eurodollar Tranche shall end on a Settlement Date; or

(c) with respect to any Base Rate Tranche, a period commencing on a Business Day selected by the applicable Funding Agent; *provided* that no such period shall exceed one month.

If any Tranche Period would end on a day which is not a Business Day, such Tranche Period shall end on the next succeeding Business Day, provided, however, that in the case of Tranche Periods corresponding to the Eurodollar Rate, if such next succeeding Business Day falls in a new month, such Tranche Period shall end on the immediately preceding Business Day.

“Transaction Documents” shall mean the First-Tier Agreements, the Concentration Account Agreement, the Depositary Account Agreements, the AEP Services Account Agreement, the P.O. Box Transfer Notices, the Fee Letter, this Agreement, the Intercreditor Agreement and all other agreements, documents and instruments executed or delivered in connection with the foregoing, as any of the foregoing may be amended, supplemented, restated or otherwise modified from time to time.

“Transferor” has the meaning set forth in the preamble to this Agreement.

“Transferor Interest” means, at any time, an undivided percentage ownership interest of Transferor in the Receivables, Related Security and all Collections with respect thereto equal to (i) one, minus (ii) the aggregate of the Purchaser Interests.

“UCC” means the Uniform Commercial Code as from time to time in effect in the specified jurisdiction.

“Unbilled Receivable” shall mean a Receivable for which, as of the time of determination, a Customer Bill has not been rendered to such Obligor.

“Unmatured Amortization Event” shall mean any occurrence or event which, with the giving of notice, the passage of time or both, would constitute an Amortization Event.

“Unpaid Amounts” shall have the meaning set forth in Section 13.5.

“Unpaid Balance” of any Receivable shall mean the “Face Amount” (as such term is defined in the related Purchase Agreement) of such Receivable.

“Volcker Rule” means Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, together with the rules and regulations adopted to implement such statutory provision.

“Weekly Derived NERB” shall mean for any Seller, as of any Weekly Report Date, the product of (a) the amount equal to (i) the aggregate Unpaid Balance of all Receivables originated by such Seller and outstanding on the last Business Day of the period covered by the Weekly Report being delivered on such Weekly Report Date minus (ii) the aggregate Unpaid Balance of all Receivables originated by such Seller on and after the date on which it ceased to be an